



Egypt now recognizes Palestinian state

CAIRO (Reuters) — Egypt last night confirmed its recognition of the Palestinian state declared in Algiers last Tuesday.

The Middle East News Agency (Mena) quoted an official spokesman as saying Egypt's recognition dated from the Palestine National Council declaration.

"Egypt has confirmed its recognition of the independent Palestinian state as stipulated in the points mentioned in the political statement issued by the PNC in Algiers," Mena quoted the spokesman as saying.

Cairo had previously declared its support for all the PNC's resolutions and said this backing was stronger than recognition. But it had not announced official recognition. Yesterday's statement said "some quarters" have persisted in casting doubt on Egypt's position of support and raised questions about whether it was tantamount to recognition.

It echoed a statement made Saturday by President Hosni Mubarak expressing belief that "support is stronger than recognition."

The agency on Saturday quoted Mubarak as expressing Egypt's recognition of the Palestinian state but later it amended its report, saying the word "recognition" was incorrect and that Mubarak had only declared support for the establishment of the state.

Peres 'regrets' Cairo move

By MENACHEM SHALEV
Post Diplomatic Correspondent

Foreign Minister Shimon Peres last night expressed his "regret" at Egypt's recognition of the Palestinian state, but Egyptian Ambassador Mohammed Bassiouny described the move as a "good step for the peace process."

Officials refrained last night from issuing a formal reaction to the Egyptian recognition, after Ambassador to Cairo Shimon Shamir asked Jerusalem to first study the exact text — and context — of the Egyptian decision.

The U.S. is expected to ask Israel to react as mildly as possible to the Egyptian move, following the failure of its efforts to dissuade Egypt from carrying it out, sources in Jerusalem said last night.

(Continued on Back Page)

Hussein lauds PLO, blames Israel, U.S.

NEW YORK (Reuters) — Jordan's King Hussein yesterday said the PLO had done its part toward building a lasting Middle East peace and said Israel and the U.S. were being intransigent.

Hussein said in a U.S. television interview: "I believe the PLO has gone as far as it was asked to go and has contributed its share toward a comprehensive and lasting peace." The Jordanian monarch said the Palestinians had met U.S. conditions for participation in regional peace talks.

"They have made all the moves, and it's time for the others to do the rest. I believe that if there is any intransigence, and I believe there is indeed, it is in the Israeli position that hasn't changed and, up to now, that of the United States."

However, he said he was sanguine about the prospects for peace. "I am optimistic. I believe the problem is a priority item in the coming period" for President-elect Bush, he said.

Exclusive interview with Wolf Blitzer

Sununu sees chance for peace in Middle East

WASHINGTON — The new White House Chief of Staff, John Sununu, says the incoming Bush administration will face some good opportunities to advance the Arab-Israeli peace process despite the continuing "turmoil" in the region. He said the U.S. is, in fact, "on the verge of years that will move us toward peace."

In an exclusive interview with *The Jerusalem Post*, Sununu was confident that President-elect George Bush and his designated secretary of state, James Baker, will focus much of their personal attention on the Middle East.

Sununu, the retiring governor of New Hampshire who was named by Bush to head the White House staff last Thursday, defended his record on Israel.



Dismissed workers from Dimona outside the Prime Minister's Office yesterday. (Rahamim Israeli)

Cabinet sets up special group to deal with problem

Unemployment situation going from bad to worse, Katsav warns

By ASHER WALLFISH
and JEFF BLACK

Labour Minister Moshe Katsav painted a gloomy picture of the unemployment situation at the weekly cabinet session yesterday, warning that it was going from bad to worse. Over 4,000 jobs were at risk in the near future, he said, and this did not include the thousands of scheduled dismissals at Koor.

Katsav said his ministry's employment service had 60,000 job-seekers on the rolls and the number was increasing week by week. He said the figure of 100,000 published by the Central Bureau of Statistics referred to non-employed rather than job-seekers, because it included students, housewives, and others who did not register at the employment service, but would work if they felt inclined.

Katsav said that in the past six months, 40 factories have been closed at a cost of 8,562 jobs. Half of these jobs were lost. The chemical and plastics industry slashed its manpower by 1,868 jobs in the past six months while the steel and electronics industry has let go of 3,444 workers. In the near future, this latter sector is expected to shed a further 3,110 jobs.

The unemployment trend showed a rise from 5.6 per cent in the first quarter of 1987 to 5.9 per cent in the second quarter of this year and was nearing 7 per cent today.

The cabinet accordingly decided to set up a committee of directors-general of the key ministries and departments involved, chaired by the director-general of the Ministry of Commerce and Industry.

Prime Minister Shamir, meanwhile, promised to give

his personal attention to Dimona's unemployment problem. Recently dismissed workers from the Negev development town demonstrated outside the Prime Minister's Office during the cabinet discussion.

The labour minister said the unemployment problem was most severe among recently demobilized soldiers and in development towns. But Katsav also noted that the Tel Aviv region now has more people without work than jobs on offer, a reversal of previous years.

The number of academically-qualified people currently out of work (26,129) is nearly double that of last year, with engineers particularly hard hit. He said he would recommend officially that job-seekers be offered work up to 60 km from their homes, rather than the present 40 km. He would also recommend that job-seekers no longer be permitted to turn down job offers if the pay was lower than unemployment pay.

Asked about the presence of foreign workers aggravating unemployment of Israelis, he reported that 1,600 Southern Lebanese work in Israel, and 3,900 other foreigners. His ministry will tighten its control over the import of foreign workers and will also introduce more professional training courses within individual factories, he said.

The minister issued a call to the country's Jewish workers to accept whatever work was available, noting that the Employment Service had around 6,000 jobs on offer.

Histadrut Secretary-General Yisrael Kessar meanwhile, who returned to Israel yesterday after a visit to a number of European countries, will meet Finance Minister Nissim today to discuss the government's plans for fighting the growing unemployment rate.

'The path of terror has not been abandoned'

PLO trying to fool world, says cabinet

By ASHER WALLFISH
Post Knesset Correspondent

The cabinet yesterday accused the PLO of "pulling the wool over the eyes of the world."

After hearing reports on the decisions of the Palestine National Council in Algiers, the cabinet issued an official statement labelling them as "one more disinformation operation designed to delude and deceive world opinion."

The statement charged that the PLO had not amended the Palestine Covenant, changed its policy and its nature, or abandoned the path of terror.

"Those nations in the world which are anxious to promote Middle East peace that the PLO was and still remains the main obstacle to peace, for which reason they should avoid giving support and recognition to its declarations. Peace between Israel and its neighbours will come only through negotiation. The PNC's latest exercise will only bring about the prevention of all serious and useful negotiation. All those who aid the

KUWAIT — The Palestine National Council's acceptance of UN Security Council resolutions 242 and 338 last week in Algiers was conditional and did not amount to recognition of Israel, the PLO's number two man said yesterday.

In an interview with the daily *al-Qabas*, Salah Khalaf, known as Abu Iyad, said that the objective of the PNC's declaration was to "be able to work with the countries of the world in a practical way that would advance the struggle of our Palestinian people."

PLO in this regard prevent peace in this region and make it more remote," the statement said.

Earlier, the analysis of the Algiers conference by defence officials stressed that the endorsement of UN resolution 181 on partition was aimed at giving legitimacy to the proclamation of a Palestine state, while explaining to foreign listeners that it included recognition of Israel, and explaining to Arab hearers that

it ruled out recognition of Israel.

The Algiers proceedings indicated that Yasser Arafat is firmly in control of the PLO at present, even though he felt he had to throw some verbal sop to the extremists, the officials said. The PNC merely endorsed what Arafat had said earlier about supporting Security Council Resolution 242 along with all other decisions on the Palestine question. It had not struck out a new path, they said.

Foreign Minister Shimon Peres noted that Arafat's call for self-determination would find willing ears in many European countries, which had come around to that thesis in recent years.

Peres said his officials were trying to coordinate moves with Washington, about Arafat's request to visit the UN.

He said that the only Eastern bloc state which recognised the PLO so far was East Germany.

The cabinet received classified briefings on the reaction in the territories to the PNC meeting.

Shamir and Peres pessimistic

Chances for broad coalition recede

By MICHAEL YUDELMAN
Post Political Correspondent

Prime Minister Shamir is to meet Likud ministers this morning for a decision on a broad coalition. The Likud-Labour negotiating teams yesterday reached a standstill in the talks, however, failing to agree on the distribution of the major government portfolios.

Shamir said last night that he strongly desires a broad-based government, but said he realizes the chances of forming one seem slim at this stage.

Shamir said the Likud was not prepared to accede to the Labour demand for two of the four central portfolios. Another meeting between the Likud and Labour teams was scheduled late last night in a last-ditch effort to reach an agreement, after the afternoon meeting in Jerusalem failed to bring about a turning point in the negotiations.

Likud ministers, afraid that the major portfolios might be "snatched" from their hands and handed over to Labour, met yesterday to discuss ways of preventing a national unity government and ensuring that these portfolios are given to them.

The ministers complained that they were not being informed of the Likud-Labour talks, and expressed concern that they would be confronted by *faits accomplis*.

Labour yesterday gave the Likud team an "ultimatum" to provide answers to its demands by this morning. Otherwise, it said, the negotiations for a broad-based government will be stopped.

However, a partial agreement

concerning the new government's guidelines was reached when the Likud consented to drop its demand for an explicit repudiation of an international peace conference.

A compromise formula specifying that the government would "strive for peace" without mentioning an international conference is expected. This would enable Labour to join the government without officially backing down from the idea of an international conference, while allowing Likud an achievement as well.

Kollek warns that changes in the 'Who's a Jew' legislation could cause untold damage to Israel's relations with its supporters in the U.S. — Page 10.

Meanwhile, Shamir is continuing marathon meetings with religious and right-wing parties in an effort to form a narrow-based government, in case the Likud-Labour negotiations fall apart. Yesterday Shamir met with representatives of Tehiya, Moledet, Agudat Yisrael and Degel Hatorah.

Dan Petreanu adds

Sources close to the Likud-Labour negotiating teams said that progress towards forming a unity government was made in yesterday's meeting. But Shimon Peres told National Religious Party leaders yesterday that he did not think prospects were good for a national unity government.

Nevertheless, the NRP's Yosef Shapira estimated the chances that Labour would enter the coalition were "50-50 or better."

Peres indicated yesterday that he wants Likud to provide concrete answers on the distribution of ministries by today, and he needs the negotiations to be concluded by Wednesday. This would give the Labour leadership time to formulate a recommendation for the party bureau, which will probably be convened on Thursday.

Observers in Labour indicate that if the Likud indeed offers Labour the Defence and Finance portfolios, Peres and Yitzhak Rabin could probably convince the central committee to approve entry into the government. Veteran MK Micha Harish told *The Post* that although the battle would be close, the leaders stood a good chance of getting the committee to back them.

In Tel Aviv yesterday, authors and literary critics, including Amos Oz, A.B. Yehoshua, Hanoch Bartov and Yehuda Amichai, called on Labour "not to accept the dictates of a right-wing, ultra-Orthodox coalition," which they said might "transform Israel beyond recognition." Labour's joining such a coalition would "shame enlightened Zionists," they said.

But Shamir, it seems, would have difficulty too in the formation of a narrow based coalition in precisely the same area — the distribution of portfolios.

Agudat Yisrael is reportedly insisting on the Housing Ministry already promised to Shas. The Aguda is also accusing Shamir of bad faith, in holding contacts with Labour simply in order to weaken the religious parties' position. "We will not be a fifth wheel in a broad-based coalition," a spokesman said.

NRP would compromise for wide government

By HAIM SHAPIRO

The National Religious Party yesterday told Shimon Peres that it would compromise on its demands concerning settlements in the administered territories in an effort to achieve a coalition that would include Labour. In a meeting with Peres yesterday, Hanan Porat, one of the party's chief advocates of settlement, said that although the party would not give up its demand to continue establishing settlements, it might limit the number of new ones and the areas in which they were established.

Party leader Avner Shaki discounted a report that the NRP might relinquish its claim to the Education Ministry in order to give

it to Labour. Other NRP representatives, however, said that they recognized that in a wider coalition, there might have to be a complete reorganization of the ministries.

The NRP has indicated its view that a broad coalition is necessary, in the light of the election results, to "save the state from a complete rift." Shaki told Peres that the NRP would be willing to act as go-between.

Peres answered that such a role might be possible if Labour were promised "the minimum" necessary for it to join the coalition. So far, Peres said, this minimum is not in sight.

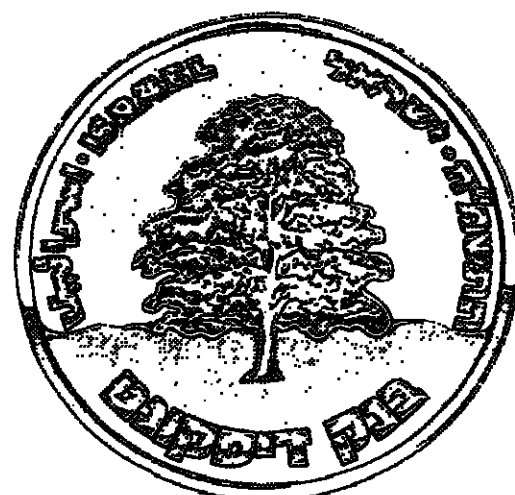
The NRP has not decided whether it will support Labour's Shlomo

Hillel or the Likud's Dov Shilansky for the Knesset speakership. The choice will depend on support for NRP wishes regarding places on key Knesset committees.

Meanwhile, the Orthodox parties bear a grudge against Hillel — for his handling of religious legislation and because he rejected a request to hold a special session of the Knesset to mark the 800th birthday of the Rambam (Maimonides).

Agudat Yisrael has rejected the idea of a broad coalition, evidently because such a coalition would make it easier for the Likud to back out of its commitment to toughen the Law of Return in view of the massive American Jewish organizational opposition to such a change.

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CHICAGO	5 41	8 48	Clear	
COPIENHAGEN	7 18	2 38	Clear	
FRANKFURT	7 48	2 37	Clear	
GENEVA	4 38	17 63	Cloudy	
BERLIN	15 10	3 28	Cloudy	
ROME	17 63	22 72	Clear	
JOHANNESBURG	11 52	24 28	Clear	
LEBON	12 54	17 63	Clear	
LONDON	1 34	4 39	Clear	
MADRID	2 36	18 61	Clear	
MONTREAL	-4 23	2 38	Cloudy	
NEW YORK	4 39	12 84	Clear	
OSLO	5 19	8 48	Clear	
PARIS	5 38	18 61	Clear	
RUO DE JANEIRO	17 63	18 64	Cloudy	
SAO PAULO	18 61	27 81	Cloudy	
STOCKHOLM	-10 14	-5 22	Cloudy	
TOKYO	7 49	10 80	Clear	
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VIENNA	1 38	5 27	Snow	
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	Yesterday's Minimum	Today's Maximum
Jerusalem	7	16
Golan	8	14
Nahariya	10	21
Safed	7	13
Haifa Port	10	21
Tiberias	5	21
Nazareth	5	21
Afula	5	21
Shomron	8	17
Tel Aviv	10	21
B-G Airport	9	20
Jericho	5	21
Dead Sea	-8	1
Beersheba	8	21
Eilat	8	25

SOCIAL & PERSONAL

The Earl of Balfour visited the Weizmann Institute of Science on Friday and laid a wreath on the grave of Dr. Chaim Weizmann. He was received by the director of Yad Chaim Weizmann, Mr. David Moushine, and later called on the president of the Weizmann Institute, Prof. Aryeh Dvoretzky. Mr. and Mrs. Moushine gave a luncheon in Lord Balfour's honour, which was attended by the chairman of Yad Chaim Weizmann and Mrs. Zalman Abramov, as well as by Lord Samuel.

Birth

To Myra Noveck and Gershom Gorenberg, a son, on November 17, 1988 in Jerusalem. Grandson to Solomon and Gertrude Noveck; DeWay Beach, Florida, and Norman and Lucille Gorenberg, Woodland Hills, California.

French chief rabbi finds being quoted on PNC regrettable

By MICHEL ZLOTOWSKI
PARIS - France's Chief Rabbi Joseph Sitruk has complained that his remarks about the Palestine National Council meeting in Algiers were distorted by the TV channel Antenne 2.

The network's news anchorwoman reported that Sitruk had welcomed the declarations made by PLO chairman Yasser Arafat.

The chief rabbi told *The Jerusalem Post* that in an interview last week with the French Press Agency, he had said that as a man of faith, he felt "vibrations" at the word peace, and that "when I heard that our enemies wanted to stretch out their hands towards us, I said that I would rejoice when there is explicit recognition of Israel. The TV journalist quoted only the first part of my statement, thus giving it a totally different meaning."

Asked by *The Post* about his position on the Who's a Jew issue, Sitruk said, "There is no doubt that we wish conversions to be made according to Halacha, for we deal here with the survival of the Jewish people. However, when it comes to persons who have been converted not according to Halacha, the rabbinate of Israel should try to act with great sensitivity."

Whitehall signals reassessment of PLO

By DAVID HOROVITZ
Jerusalem Post Correspondent
LONDON - In a development that must be of grave concern to Israeli officials here, Prime Minister Thatcher appeared last week to have relinquished her grip on British policy in the Middle East and allowed the Foreign Office to reassess control.

While the Foreign Ministry in Jerusalem has declared its belief that the PNC's Algiers resolutions are not moderate enough to warrant policy changes in West European countries, there has already been a marked shift in tone in Britain, where the traditional Thatcherite

resistance to the PLO has given way to warm Foreign Office appreciation of the efforts of the Palestinian "moderates" in Algiers.

Signals from Whitehall indicate that Britain's Middle East approach is indeed under review, and that its assessment of the PLO is being revised.

In conversations with *The Jerusalem Post* last week, senior Whitehall officials said they regard the PNC developments as so significant as to merit a "wholesale reassessment."

Does this mean that we could soon see British ministerial-level contacts with the PLO leadership? Nothing was out of the question, the

officials insisted.

Where in the past Thatcher set the tone for British responses, in Washington she spoke in identical terms to those used by the Foreign Office last Tuesday in the first British reaction to the PNC's declarations. The Foreign Office noted the "potential significance" of the PNC's endorsement of UN resolutions, and hailed the opportunities to "build on" the progress at Algiers. Thatcher used the very same appreciative language later in the week saying the statement from Algiers offers "signs of hope" that should be explored. She also described it as a "modest step

forward."

British diplomats accompanying Thatcher in Washington have asserted that the contrasts between Britain's determinedly upbeat reaction to Algiers and the American dissatisfaction are mere differences of "nuance." But the divergence - initiated by the Foreign Office and approved by Thatcher - is wide enough already to have prompted speculation of a Bush-Thatcher clash on Middle East policy.

Middle East observers here attribute Thatcher's shift in tone to disappointment over Shimon Peres's election failure and to disenchantment with the prospect of a narrow

Likud-led coalition. They note Thatcher's disinclination in the past to sanction visits to Britain by leading Likud ministers, and believe the election results have led her to give up what has been a relentless struggle to restrain the pro-Arab tendencies of her Foreign Office.

"Her two firmest friends in the region, Peres and King Hussein, now appear to be right out of the picture," said one observer here. "And she is well aware that if she wants to retain her influence and prove her indispensability to peace negotiations, it is time for her to change horses, to stop championing the players in the wings."

UK Jews ired by proposed change in Law of Return

Jerusalem Post Reporter
A change in the Law of Return would affect fund-raising, commercial and political relations between Israel and British Jewry, predicts Trevor Chinn, president of the British Joint Israel Appeal and member of the 750-strong JIA delegation that arrived yesterday in Jerusalem to open its 1989 fund-raising campaign.

"If the government decides to change the law, it will test our loyalty beyond what is acceptable," said

Chinn. He stressed he was speaking not only on behalf of Reform and Liberal Jews, who constitute 25 per cent of British Jewry, but also on behalf of the British Orthodox who "feel very strongly that a change in the law will be the wrong move."

Chinn warned that the change would "divide the Jewish community and divide the community from Israel," and urged Israel to remain the "centre of the Jewish world."

"Israel, which used to be the Jewish common denominator, is in danger of becoming the dividing factor in the Jewish world," he said.

Chinn declined to criticize Israel on any issue other than the Law of Return. He said issues such as the Palestinian question and Israel's economic policies are to be determined strictly by Israeli citizens, but that the question of "Who is a Jew" has greater bearing on world Jewry than on Israeli Jews.

The British JIA in the past refrained from commenting on Israeli policies, but will not remain silent on this issue, he said. "I appeal to leaders of both the Likud and the Labour Parties to form a coalition that would not have to surrender to the minority," said Chinn, who claimed 80 per cent of Israelis did not vote for a government which would split Israel from the Diaspora.

Chinn, along with such delegates as Lord Immanuel Jakobovits, Britain's chief rabbi; Cyril Stein, owner of the international Hilton chain;

and Lionel Kapelovitch, president of the Board of Deputies of British Jews, is to meet today with Prime Minister Shamir in a gala dinner at the Israel Museum and to deliver the message of British Jews.

Responding to President Herzog's call to Jewish organizations in June to come to Israel as a gesture of identification, the JIA delegation will visit IDF and police bases in the West Bank, plant trees in the Kessalon forest and visit Yad Vashem before departing tomorrow morning.

Journalists vow to battle against 'political censorship' of IBA news coverage

By GREER FAY CASHMAN
Jerusalem Post Reporter
The Federation of Israel Journalists is to mount an all-out battle against what it calls the "political censorship" imposed on Broadcast Authority journalists by IBA Director-General Uri Porat.

An emergency meeting of the federation executive committee yesterday to appeal to the High Court of Justice against Porat's directives on the basis that he is depriving the public of the right to know.

The federation will seek meetings with Prime Minister Shamir, Vice Premier Peres, Education Minister Navon, the incoming Knesset Speaker and members of the Press Council and the Newspaper Editors Committee, to apprise them of its strong opposition to suppression of news for political reasons.

Seeking to involve all accredited journalists in the country, the federation also announced solidarity meetings at 1:30 p.m. tomorrow at journalists association branches in Tel Aviv, Jerusalem and Haifa.

The federation also declared its non-acceptance of the dismissal last week of Israel Radio newsmen David Grossman, who had publicly condemned Porat's directive to minimize coverage of the recent Palestine National Council meeting. The directive was reportedly issued at the behest of Defence Minister Rabin, who suggested that full coverage could inspire Arab riots.

Both the federation and the journalists works committee of Israel Radio consider Grossman's dismissal to be illegal, and vowed to use all union and legal means at their disposal to have him reinstated.

Grossman was notified yesterday that his salary will be stopped from the 17th of this month, the day of his resignation/dismissal, despite the fact that he has 50 days vacation at full pay owing to him. Radio works committee chairman Gad Ben-Yitzhak said last night that the committee is considering declaring a work dispute on the Grossman issue.

Navon, who met last night with the representatives of the IBA administration and management committee, spoke out against Grossman's dismissal and said that there were other ways of dealing with him, if management considered that he had acted incorrectly.

Radio and television workers held separate emergency meetings yesterday, united in their desire to sue members of the IBA management committee for slander. They said the defamation suits will be brought against those members of the management committee who accused IBA journalists of serving the aims and interests of the PLO.

One television journalist disclosed that he had interviewed an Arab notable in Jericho who had told him that petrol bombs and stones were being thrown there all the time, yet nothing had been done to publicize this fact. When the journalist brought the story to the newsroom, it was censored by news chief Yair Stern, he said.

The military censor had not suppressed the material, said Elisha Spiegelman, head of the TV journalists works committee and chairman of the Jerusalem Journalists Association.

Had it not been withheld for political reasons, he suggested, perhaps buses travelling through the area would be more protected and people such as Rabin and his children, who were killed by a petrol-bombing of a bus in Jericho on the eve of the Knesset elections, might have been saved.

Massalha told me in an earlier interview, when he was still out and Daroushe was very much in, that the two differed mainly on emphases and priorities. In his present interview he said he continues to believe in establishing a Palestinian state alongside Israel, but also believes that Israeli Arab politicians should accord top priority to the bread-and-butter issues that affect their constituents, over the emotion-laden Palestinian-linked issues.

He admits that it is not easy, all the more so in the year of the intifada, in which the Palestinians being confronted by the IDF are the kin of the Israeli Arabs. "So what did you say to your Arab audiences when they asked you how they could think of voting Labour in view of Rabin's role in putting down the intifada?" I asked Massalha.

"Believe me, that's the major question that I was asked wherever I went. I told my audiences that they should be mature enough to think of November 2 (the day after elections). I told them that the choice they would have to make was between having Peres and Rabin run Israel's affairs, and Sharon, Rafal or Gandhi. I emphasized that Labour was not only Rabin, but also Peres, Weizman, Navon and Shahal, and that even Rabin was in favour of a political solution and an international conference."

Massalha admits that Labour lost votes in the Arab community - "it could not have been otherwise in the year of the intifada" - but it was far from being the catastrophe that had been predicted. He feels that his message registered with the more mature Arab voters. "With me being the party's only MK, it's still a situation in which the Arab votes elected Jewish MKs in the party rather than vice versa."

Massalha is very much part of the Labour Party scene. He is proud of having been a member of its Young Guard since 1969, eight years before the party admitted Arabs to its ranks, and that he was the first Arab member of its central committee after that latter date.

His main power base consists of the 55 or so Arab members of the central committee. He is careful to insist that that Arab bloc in the central committee will not take the initiative or play a central role in any fight over the party leadership.

Despite the fact that he made it into the Knesset without the support of the top party leaders - Peres, Rabin, Navon and Bar-Lev, who preferred another candidate - Massalha insists that he bears no grudges.

Call to stop sale of Tippex to minors

Ministry waits for report on thinner sniffing death

By JUDY SIEGEL
Post Science and Health Reporter
The sniffing of solvents like Tippex thinner rarely causes immediate death, although long-term abuse is known to cause severe kidney and liver damage. As a result, the Health Ministry is waiting for the results of a post mortem on 14-year-old Assaf Simoni, who died on Friday night in after allegedly sniffing thinner.

Simoni, a pupil at the Mevo'ot Yam naval boarding school in Michmoret, was attending a party at the institution and left the hall to watch TV. His friends said they saw him take out the thinner (used to dilute the white-powder correction fluid), pour some on his hand and sniff it. He dropped to the floor, leading his friends to think he was joking, but school personnel saw he had lost consciousness. Doctors were unable to resuscitate him.

Dr. Aharon Eisenberg, chief toxicologist of the Health Ministry, told *The Jerusalem Post* that the dangerous substance in the Tippex solvent, known by its chemical name trichloroethylene, is very common.

"It has replaced other solvents because it is the only one not carcinogenic and not flammable," he said. But it can also cause euphoria for as long as a few hours among sniffers. Other substances used by sniffers are airplane-model glues and petrol. Eisenberg said that there was a wave of sniffing of Tippex thinner a few years ago, when it was on the list of required school supplies for high schoolers.

Since it is not a narcotic, the Health Ministry does not have jurisdiction over its control, he continued.

"We have proposed an amendment to the law that would give the health minister authority and responsibility for such solvents," he said.

In Britain, for example, there is considerable awareness of the health danger of such sniffing, and information kits are distributed to help parents and teachers recognize user behaviour. "There are also limits on sales," Eisenberg said. "Young people may buy only a bottle or two of such solvents and glues at a time, not a whole box. But banning is next to impossible, as these solvents have legitimate uses."

Initial symptoms include respiratory difficulties. Long-term effects can include mental problems and damage to internal organs like the liver and kidneys.

Dr. Alma Avni, head of the ministry's public-health department, meanwhile has called on parents, teachers and storekeepers not to supply Tippex solvent to minors.

If Tippex solvent is used, says the Health Ministry, it should be used in the form of a pen-like instrument in which the solvent is stored inside.

Michael Rotem adds: Ten per cent of the teenagers who arrive at the Al Sam drug-treatment centres inhale vapours from glues, petrol and the like, says Dr. Yirmiyahu Aviad, director of the Al Sam centres in the greater Tel Aviv area.

Aviad said symptoms patients should be aware of are red eyes, sharp changes in sleeping habits and in school attendance, change of friends, lessened appetite, and loss of memory.



Mother and son express joy at hearing that the Beit Hatikva facility for the retarded may not be closed down. They were part of a protest at the Ministry of Social Welfare in Jerusalem yesterday. (Artz/Media)

Retarded children protest closure of home

Jerusalem Post Reporter

Retarded children, their parents and staff of the Beit Hatikva home in Moshav Rogit demonstrated yesterday in front of the Labour and Social Affairs Ministry against imminent closure of the facility due to lack of funds.

After some time, a ministry spokesman told them there was "hope of a reprieve" and that the home would not be closed, pending discussion of several possibilities for saving the home. At this news, the demonstrators dispersed happy at the news, and ministry representatives were discussing the matter with other agencies late into the night.

About 40 children aged 10-17, many with severe behavioural disturbances, are enrolled at Beit Hatikva, which the ministry opened with fanfare less than a year

ago with an initial investment of \$400,000 by the Joint Distribution Committee. Dr. Larry Gensil came over from Los Angeles to head it at the ministry's invitation. Gensil's programme, which is unique in Israel and was hailed by the ministry as a model, aims to return the individual to his home and community able to function to the limits of his capacities.

Beit Hatikva, which was expected to be able to admit 60 more pupils from families on its waiting list, has logged up a deficit of some NIS 600,000. According to the ministry, this is because the association formed in the U.S. to support it has not come through with the money which it had undertaken to raise.

Gensil agrees that this is part of the reason for the home's being in the red, but charges that the ministry has consistently underfunded Beit Hatikva and has demanded staff cuts that would undermine the project.

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Thirty-seven-year-old daughter of shipping tycoon left fortune estimated at \$1 billion

Uncertainty over cause of Christina Onassis's death

BUENOS AIRES (AFP) — Christina Onassis, who inherited and ran the shipping empire of her multi-millionaire father Aristotle Onassis, died here on Saturday at the age of 37, family associates said yesterday.

She leaves a three-year-old daughter, Athena, from the last of four unsuccessful marriages, and a fortune estimated at up to one billion dollars.

There were conflicting reports of the circumstances of Ms. Onassis's death and the authorities have ordered an autopsy. So far there was no word as to its results.

Members of the exclusive Tortugas Country Club near Buenos Aires said she had been found dead there in a changing-room, where she had gone before going to the swimming pool.

However, the local DYN news agency said that she was found dead in her bedroom at the home of Marina Dodero, the wife of the executor of her father's estate, and that experts were examining a container of pills found next to her bed.

Sources at the country club said that Ms. Onassis and Mrs. Dodero had been expected at the club pool. When "she seemed to take a while to leave the locker room, they went to look for her and found her dead," a witness said.

The club dispatched an emergency medical team to

Ms. Onassis. She was taken to a nearby clinic but a doctor there said "all efforts to try and revive her were in vain." He refused to give further details.

Club members said she appeared to have been in good spirits before her death and "there had been nothing to indicate she was suffering from some type of physical problem."

Argentinian friends said Ms. Onassis suffered from depression, and broken relationships.

She had surprised reporters when she arrived from Paris on October 20 at the Ezeiza International Airport here tanned and about 20 kilos lighter from a recent round with her battle against a weight problem that has gone on for years. Before coming to Argentina she had spent two and half months in one of the best weight reduction clinics in Switzerland, where she followed a strict diet that included three litres of mineral water daily.

"I feel very good," she told one of her friends in Buenos Aires where she was reportedly shopping to buy a flat in the exclusive area along El Libertador Avenue. "Now I no longer have to wrap myself in tunics that reach the floor."

Ms. Onassis, born in New York in 1951, was the

daughter of Aristotle Onassis and his first wife, Tina Livanos, herself the heir to a shipping fortune. The mother died in 1974. When Onassis died the following year, the family fortune was estimated at around one billion dollars. About half the money went into a foundation named after Christina's elder brother Alexander, who had died in a plane accident in 1973.

Ms. Onassis, who had double Argentinian and Greek citizenship — her father launched his business career in Argentina in the 1920's — was known as an astute businesswoman, managing her late father's 56-vessel fleet with an iron hand. In 1982 she was elected head of the Greek shipowners' professional body.

She also hit the headlines for her numerous problems with the Greek tax authorities, which apparently ended after she donated a 30-million dollar cardiac centre to the city of Athens.

Ms. Onassis was successively married to Joseph Bolker, an estate agent, Alexander Andreadis, son of another Greek shipping magnate, Sergei Kauzov, a Soviet national, and French industrialist Thierry Roussel.

Her marriage in August 1978 to Kauzov, a complete unknown in the high society which Ms. Onassis fre-

quented, set newspaper gossip-columns buzzing across the world.

Her last marriage, with Roussel, was to produce Athena, who was born in January 1985. She was divorced from Roussel in October last year.

George Moore, an American banker who saw her the day after her father's death in March 1975, said she had told him: "I'm going to run the business."

"The business" was a fleet of 56 merchant ships under the flag of Victory Carriers, a major shareholding in Greece's Olympic Airways, and a family fortune which included a guaranteed 250,000 dollars a year for Christina and 50,000 dollars a year for her husband.

She at first showed determination to stay on top of the business, but later, distracted by personal problems and hounded by the press, she appeared to lose interest.

In Athens, Ms. Onassis's lawyer, Stelios Papadimitriou, said she had asked to be buried on the Greek island of Scyros alongside her father Aristotle and her brother Alexander. The lawyer ruled out the possibility that Ms. Onassis had committed suicide and added that the funeral would probably take place later this week. He added that friends and relatives in Buenos Aires would look after Athena, her daughter who is the sole heir of her mother's vast fortune.

News in Brief

Khomeini snubs Carter

NICOSIA, Cyprus — Iranian leader Ayatollah Ruhollah Khomeini, responding to a letter from former U.S. President Jimmy Carter, has rejected any improvement in Tehran-Washington ties. Teheran Radio reported yesterday. Carter wrote Khomeini stating that the release of American hostages in Lebanon could remove one of the main obstacles to re-establishing Tehran-Washington ties, the radio said. *Reuters*

Teen dies in dryer

HUNTINGTON PARK, California — A teen-ager was battered to death after someone locked him in a huge commercial clothes dryer, turned on the machine and left him to tumble and rotate for 10 minutes, according to police in this Los Angeles suburb. Rafael Benitez, 18, died of "blunt force trauma" Friday about four hours after being brought unconscious to a hospital, said Lieutenant Dan Leili. *AP*

Stalin museum closed

MOSCOW — A Soviet museum glorifying Kremlin dictator Josef Stalin was officially reported closed down on Saturday as across the country a week of remembrance began for the millions who died under his rule. In a statement published by the trade union newspaper Trud, the culture ministry in Stalin's home republic of Georgia indicated the museum could be reopened as a warning against any resurrection of his cult. *Reuters*

Chinese human fossil

PEKING — A human jawbone unearthed in central China has been found to date back 2 million years, making it the oldest human fossil discovered in China. An archaeologist announced here. The jawbone, containing several teeth, was discovered in 1986 near the upper reaches of the Yangtze River in Sichuan province, but dating tests were completed only recently. *AP*

Cypriot leaders to meet

NICOSIA — Leaders of the Greek and communities on Cyprus will meet in New York this week to review progress on bringing down the barricades dividing the island, a week after Greek-Cypriots tried to rip them up by force. President George Vassiliou and Turkish-Cypriot leader Rauf Denktaş will discuss their talks on reuniting their island as a federation with U.N. Secretary-General Perez de Cuellar from Tuesday. *Reuters*

Witchdoctor gets death

MBABANE, Swaziland — A witchdoctor was sentenced to death here on Saturday for stabbing an eight-year-old boy to death because he had heard the child was "very clever" and had wanted to use the boy to make potions. During the trial, the court heard how witchdoctor James Masilela had wanted to use Dumsane Manyatsi's body to make "muti" (witchdoctor's medicine), because the boy was known in the area as "highly intelligent". *AFP*

Setback for Bhutto in provincial elections

ISLAMABAD (Reuters) — Acting Pakistani President Ghulam Ishaq Khan yesterday invited Benazir Bhutto and her main rival Nawaz Sharif for talks on forming a government after last week's indecisive elections.

Justice Minister Wasim Sajjad said in a statement the acting president would see them separately tomorrow "on questions relating to formation of the future government." Last Wednesday's poll failed to produce an outright winner, and both Bhutto and Sharif claimed the right to form a government. Under the constitution the acting president has to nominate a political leader he thinks can win the support of a majority in the National Assembly.

Bhutto's Pakistan People's Party (PPP) won 92 seats, 17 short of the 109 needed for an overall majority. Sharif's Islamic Democratic Alliance won 55, and independents and small parties 68, including 10 from non-Muslim minorities. Two by-elections are pending.

Earlier reports said that Bhutto's bid to become the Moslem world's first woman prime minister suffered

a setback at the weekend when her party fared worse than expected in provincial elections. The PPP won more seats than any other party but its share was down to 42 per cent from the 45 it won in Wednesday's election.

The results in the provincial voting could weaken her hand in the bargaining for support from other factions that Bhutto needs to secure a majority in the national parliament.

In the provincial elections, the country's biggest province, Punjab, seemed set to go to the rival Islamic Democratic Alliance. The IDA was leading the PPP 108-94 for the 240-seat Punjab Assembly, with only a few results to come. Independents and small parties won the others.

Bhutto, 35, daughter of executed prime minister Zulfikar Ali Bhutto, received a boost when results of the 10 seats for non-Muslim minorities, elected on a separate list, were announced. Political analysts said at least six of the minority candidates, mainly Christians and Hindus, were likely to support the PPP.

Canadian PM firm on trade bill as nation votes today

OTTAWA (Reuters) — Prime Minister Brian Mulroney's Progressive Conservative Party allied in opinion polls before today's election, pledged quick passage of a contentious free-trade bill with the U.S. if he is re-elected.

"I would want the House [of Commons] to come back as quickly as possible to make sure that the trade legislation is passed, as it should be, as promptly as possible," Mulroney said in Montreal.

The trade agreement, which would tear down remaining barriers between the world's two biggest trading partners, is the central issue in the campaign.

Supporters maintain the pact is essential for future prosperity, but opponents, including the opposition Liberals and the New Democratic Party, say it would weaken Canada's economy, threaten its political independence and erode its social programmes.

As the Conservatives and the two main opposition parties headed into

a last, central day of campaigning yesterday, surveys indicated Mulroney was winning back voters.

Liberal leader John Turner had gained the lead in mid-campaign with his crusade against the trade pact and until recently was running neck and neck with Mulroney.

But two polls published on Saturday gave the Conservatives 40 to 41 per cent of the vote, indicating Mulroney was convincing voters that the free-trade agreement would bring more jobs and greater prosperity to Canada.

The polls showed the Liberals with 33 to 35 per cent support and the New Democrats with 22 to 23 per cent. Undecided voters in the two polls ranged from 11 to 12 per cent.

Mulroney needs a majority of seats in the 295-member House of Commons to pass the trade agreement. If the Conservatives win only enough seats to form a minority government, the two opposition parties could unite to defeat the pact.



President Mikhail Gorbachev with prime minister Rajiv Gandhi during the signing of an agreement yesterday at the end of the Soviet leader's visit to India. (Reuters)

Rebels end ceasefire in Salvador

SAN SALVADOR (Reuters) — With Organization of American states (OAS) diplomats winding up a meeting in San Salvador, leftist rebels ended a five-day unilateral ceasefire by blacking out parts of the country and attacking three military posts.

In San Salvador, a bomb placed in a government jeep exploded on Saturday outside the house of Interior Ministry official Alfredo Rodriguez, a few blocks from the U.S. embassy. The jeep was destroyed and windows of nearby houses were shattered but nobody was hurt.

Farabundo Marti National Liberation Front (FMLN) guerrillas dynamited five power lines overnight, causing power cuts of up to eight hours in the four eastern provinces, state electrical company workers said.

The FMLN had ceased fire in El Salvador's civil war so that the annual assembly of the OAS regional body could go ahead without incident.

The attacks, launched after the ceasefire ended on Friday evening, appeared aimed at drawing OAS delegates' attention to the conflict.

The OAS assembly adopted a resolution on Saturday, rejecting "violence and terror, no matter where they come from" and praising President Jose Napoleon Duarte for his efforts to bring democracy to El Salvador.

Gorbachev and Gandhi end meetings

International parley on Afghanistan mooted

NEW DELHI (Reuters) — Soviet leader Mikhail Gorbachev and Indian prime minister Rajiv Gandhi called on the United Nations yesterday to pursue dialogue between warring parties in Afghanistan and said an international conference may be needed.

Gandhi, speaking to reporters at the close of Gorbachev's visit, said the Kremlin leader still backed Afghan president Najibullah, with whom Afghan rebels refuse to deal.

He also said India would be watching the formation of a new government in Pakistan, where Afghan rebels are based, to see whether the change would break the Afghanistani impasse.

In a joint declaration Gorbachev and Gandhi said no nation should have military bases outside its borders. But they did not elaborate, nor did Gorbachev offer to close Soviet bases abroad. The two leaders said the international aim should be a "nuclear-weapon free and non-violent world." The statement came after three days of talks which Gandhi said had tremendously improved India's relations with the Soviet Union.

The Indo-Soviet declaration urged U.N. Secretary General Javier Perez de Cuellar to use his mandate to get talks going between the parties to the Afghan conflict aimed

Peace talks on Southern Africa to be held in NY

LISBON (AP) — Angola, Cuba and South Africa will meet in New York this week for an informal round of U.S.-mediated talks on peace in southern Africa, the Portuguese state-owned daily *Diario de Noticias* reported yesterday.

Unidentified sources told the newspaper that informal talks would "tie up the loose ends" of a provisional peace accord reached in Geneva last Tuesday. Sources quoted by the paper said delegates would arrive today in New York for negotiations lasting two or three days.

The provisional agreement sets a timetable for a withdrawal of an estimated 50,000 Cuban troops from Angola and for the independence of South-West Africa, also called Namibia.

Participants expect a final, formal round of negotiations to take place on an unspecified date in Brazzaville, Congo, once the governments participating in the Geneva agreement ratify it.

The Cuban and Angola governments formally approved the agreement Friday but Pretoria has yet to do so.

Meanwhile, reports continue to reach Lisbon of clashes in Angola between government forces and rebels from the National Union for the Total Independence of Angola, known by their Portuguese acronym of Unita.

In a statement monitored Sunday in Lisbon, Unita claimed rebel forces captured the town of Balmombe, in the central Benguela province, killing 126 government soldiers and three Cubans. That report came despite a statement on Friday by Unita leader Jonas Savimbi that he had reached an agreement, informal ceasefire agreement with Cuban forces in Angola.

The rebels are not party to the peace talks and do not recognize the Geneva ceasefire agreement between Angola, Cuba and South Africa.

Units have been fighting to force the Popular Movement for the Liberation of Angola (MPLA) government to share power since shortly after the country gained independence from Portugal in 1975.

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Death for mob-leader in anti-Armenian rioting

MOSCOW (AP) — The Soviet Supreme Court has sentenced an Azerbaijani man to be shot by firing squad for leading a mob that killed seven persons in anti-Armenian riots in Azerbaijan earlier this year, a witness said Saturday.

Kuryun Naganpetyan, a Moscow-based Armenian activist and painter, said the verdict against Akhmedov was handed down by the high court early Friday night.

It was the first death penalty issued by Soviet courts in connection with the February 28 ethnic riots in the Azerbaijani city of Sumgait, during which Soviet officials say 32 persons, including 26 Armenians, were killed.

Armenians put the death toll much higher.

State-run information media in Moscow did not immediately report the verdict in the trial, which was closed to Western correspondents. But Naganpetyan, who has attended daily to videotape the proceedings,

reported the court's decision in a telephone interview.

The riots in Sumgait were sparked by a 10-month-old campaign by Armenians, who are mostly Christian, to annex the predominantly Armenian region of Nagorno-Karabakh, which has been part of largely Moslem Azerbaijan since 1923.

Akhmedov and two co-defendants, Ilgam A. Ismailov and Yavar G. Dzhabarov, went on trial at the Supreme Court on murder and arson charges October 18.

Naganpetyan said Akhmedov was convicted of using a megaphone to shout to a mob, "Kill the Armenians," and of leading them as they stormed 17 apartments in Sumgait and killed seven persons, burning some of them alive.

The Armenian activist said the Supreme Court did not announce when the death penalty against Akhmedov would be carried out. He said the trial of Ismailov and Dzhabarov is continuing.

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Egypt at, or over, the brink

IF the Palestine National Council's proclamation of a "Palestinian state" last week put Egypt in a cleft stick, it is now acting feverishly to extricate itself from that uneasy posture. By last night it was not wholly clear whether it had awarded final and official recognition to the phantom state, but if not, Egypt has come to a hair's breadth of that point.

Originally the Egyptian government had sought to talk the PLO out of going through with its planned declaration of independence, unless it could at least bring itself to also clearly recognize Israel and clearly endorse Resolutions 242 and 338. The PLO took no heed. It produced a declaration which it claimed was an "implicit" recognition of Israel "as a fact," and an endorsement of the two Security Council texts in conjunction with all other "relevant," even if irrelevant, UN decisions.

Faced with an accomplished fact, Egypt promptly turned its other cheek, endorsing the PLO's declaration of statehood. Such endorsement, President Hosni Mubarak explained, was "stronger than recognition." Perhaps so, but it was not the same as recognition. On Saturday, though, Egypt's semi-official Middle East News Agency put out a report to the effect that Mr. Mubarak had granted the PLO its request for recognition of the state it had "founded" in Algiers. A retraction immediately followed, and the report was denied as an error.

Yesterday that same news agency carried a message the thrust of which was that the supposed error was no error, after all.

Mena quoted an unnamed "official spokesman" as saying that Egypt had recognized the Palestinian state, effective from November 15, and as expressing his hope that "this constructive step will serve the cause of peace and stability in the region."

The spokesman cannot have been ignorant of Israel's view that the Algiers declaration is anything but a contribution to the advancement of peace. He must have been aware that, at its most moderate, the official Israeli view, as expressed by Foreign Minister Shimon Peres, is that the PNC's vaunted moderation is a smokescreen for extremism. That understanding was also conveyed to Egypt's Foreign Minister yesterday by Israel's ambassador in Cairo, Shimon Shamir.

Egypt must surely be aware that by formally recognizing the PLO state it would in effect be abrogating the Framework-for-Peace-in-the-Middle-East agreement concluded in 1978. The Camp David accord on Palestinian autonomy has had whatever life it ever possessed largely snuffed out long ago, and largely due to Israel's own obduracy. But unilateral abrogation, even if only *de facto*, of an international undertaking is no light matter.

If, as will soon emerge, Egypt has indeed taken such an official plunge, it could have grave consequences.

Talking of devaluation

ISRAELI businessmen and financial executives are spending most of their time these days trying to guess the size and exact timing of the long-predicted devaluation of the shekel.

Economists and analysts, on the other hand, are engaged in debate over whether there should be a devaluation at all, and if so under what conditions. Each of the groups may legitimately claim to be doing their job, in the circumstances prevailing. That, unfortunately, is more than can be said for the key players in the devaluation drama, namely the heads of the Treasury, from the minister downwards, and the heads of the central bank, from the Governor downwards.

Against a background of simple facts — that expectations of a devaluation have been gaining ground steadily since July, and that these are expressed in a move from shekels to foreign currency by the private sector that finds expression both in a slide in foreign currency reserves and a rise in shekel interest rates — it is the manifest duty of the two primary organs of economic policy formulation and management to take a stand. This stand can be of two quite opposite natures — either to do, or not to do.

If to do, then obviously the sooner the better, because the atmosphere of uncertainty and near panic that is engendered by a prolonged devaluation alarm is harmful to every aspect of economic activity. If not to do, then by the same token, to make that policy plain, to enunciate it as clearly as possible, and thus to at least try and obtain the credibility needed to back up a policy of non-devaluation.

But what the Treasury and Bank of Israel have done has been neither the one nor the other. In fact, it is difficult to decide which of

these two august bodies has behaved worse over the last two weeks, when the run on the shekel has become intense.

If pushed, however, we would award this prize to the Bank of Israel, for the Treasury's crime has arguably been the lesser. It has only been guilty of sitting passively on its hands, instead of showing itself to be energetically engaged in doing nothing, which is the correct posture for a Finance Ministry intent on not devaluing the currency. Most to blame, of course, is Finance Minister Moshe Nissim, who has made do with the occasional quite inscrutable, almost Delphic, utterance on the subject of devaluation, though all the while the financial markets were hanging eagerly on his every word.

But the Bank of Israel has behaved in a manner most unbecoming — indeed, almost unheard of — for a central bank. Even if the Bank believes, as it apparently does, that the good of the economy requires a devaluation as quickly as possible, the way to achieve its target is by intensive behind the scenes persuasion, far from the public eye. Instead, the public has been witness to the extraordinary spectacle of the central bank effectively egging on the speculators in their activity by lobbying for its line.

The substantive issue of devaluation allows cogent arguments both for and against. But what matters more at the moment is that the Treasury and the Bank of Israel get their act together, decide a policy and follow it through. The excuse that a decision must await the formation of a new government simply will not do. Anarchy is worse than any bad decision, and the markets will impose their own will if the vacuum at the decision-making level continues much longer.

Religious gains: victors and victims

Yehuda Bauer

AS THIS IS being written, the complicated horse-trading around the future coalition is still going on. Some new and hitherto unexpected developments seem to have emerged: the religious parties, despite their internal disunity, managed to break the opposition of Labour and its allies to the passage of the "Who is a Jew" amendment to the Law of Return.

Labour had clearly preferred yielding to the religious parties on this issue to seeing a Likud-led coalition take over. The logic is clear: in order to keep hope of the beginning of a peace process alive, Labour was willing to compromise on something that it deemed less essential. Likud has much fewer problems with the passage of religious laws. It may be led by people whose daily lives are completely secular, but there is no commitment to preserve that status. In order to attract religious voters, now and in the future, and in accordance with its more tradition-bound outlook on Judaism, the heirs of Jabotinsky, the prophet of anti-religious Zionism, are quite willing to compromise.

The new factor was the new-found willingness of the left to have restrictive religious legislation. If, as seems probable, the outcome will in any case be a Likud-based government, Labour will enter an opposition period during which it will rightly be charged by the Orthodox that it did not really believe what it

said in its own platform. Was the party not willing to give it all up in order to establish a Labour-led coalition? The dilemma is real: prospects of peace versus religious legislation.

THE VICTORS in all this appear to be the Lubavitcher Rebbe, Menachem Mendel Schneerson, the Baba Baruch, and Shas. What they propose, in terms of handing over our personal lives to the rabbinical courts without any right of appeal to the High Court, in terms of a fight against the municipalities to force them to close life down on the Shabbat, and in terms of the definition of Jewishness, is no less than a total revolution in the life of the Israeli citizen.

With all due respect to the ultra-Orthodox and the six additional seats they gained in the elections, is it not a fact that out of 120 seats in the Knesset (if one subtracts the Arab MKs), more than 90 are held by non-Orthodox Jews? Was it really the voters' desire to plunge all of us into the life of *shetlach* or *melahs*? Do we really want our private lives determined by a Halacha in which we don't believe, with no recourse to a non-religious court of law? Is their interpretation of Jew-

ishness acceptable to us? Do we agree to our "leaders" shutting us up in a cage?

What is even more frightening is the fact that with the passage of these laws, we will split the Jewish people with disastrous consequences. Does anyone really believe that Reform or Conservative Jews — not to speak of the non-affiliated majority in the U.S., for instance — will continue to donate money or, more importantly, provide us with the essential political support without which we cannot exist? The income from the United Jewish Appeal in the States has been going down in any case.

The process of American Jews distancing themselves from Israel is there for everyone to see. It is, true, a slow process. As yet, it is not irreversible. But it is surely dependent on their feelings of kinship and identification with Israel. An Israel dominated, in cultural and religious matters, by Shas and the Lubavitcher Rebbe is unlikely to generate great enthusiasm on the part of the vast majority of American Jews. The same would apply in Canada, France and other places.

The present course pursued by the major parties is, therefore, little short of suicidal. Israel's security de-

pends, in the final analysis, on the supply of American weaponry, and on America's political and financial support. That, in turn, depends to a considerable degree on the U.S. administration's perception of whether American Jews are behind Israel. To disturb this delicate balance, whether in the name of peace prospects or otherwise, may cut the ground out from under basic Israeli interests.

The new turn in the voting patterns threatens to turn us into a society ruled by fundamentalist fanatics (who, by the way, are split into factions motivated by mutual hatred). Religious establishments and institutions should certainly be supported. But our fundamentalists want to equalize support for higher education with that of yeshivot. This would mean a crucial regression in support for our research and academic development. Even now, there are more Palestinian Arab students in universities all over the world than there are Jewish Israeli ones.

Aguda and Shas will no doubt attempt to further this situation, a development that will endanger the basis of our security and is scarcely likely to endear us to our fellow Jews in the Western democracies.

Do our "leaders" really know what they are doing?

The writer serves as chairman of the Israeli Association for Secular Humanistic Judaism.

Austria reconsidered

Yohanan Meroz

RELATIONS with Austria are not expected to rank with the new minister's most immediate priorities. At the same time, a new look at them may be useful when the post changes hands, for in a way, their story reveals some of the inherent weaknesses in the processes and procedures of our foreign policy and diplomacy. Whatever the merit of the state of these relations today, the decisions leading to it were forced down our throat from outside, virtually without prior warning or consultation.

Kurt Waldheim is not most people's cup of tea, and not only in Israel. Israel ostracized him not because of his strange lapses of memory, his dubious moral standards or other deficiencies — in which he has competition galore — but because it had been induced by ostensibly impeccable sources to believe that he had been guilty of war crimes, including against the Jewish people.

That accusation, levelled with nonchalant irresponsibility by a prestigious Jewish organization, was not only never proven but, on the contrary, disproven. Official Israel, however, let itself be caught in a net of seemingly substantiated rumours without any serious attempt at an inquiry of its own. Not for the first

time had Israel been led up the garden path by one of the "parallel services" of Jewish diplomacy, a game at which the late Nahum Goldmann displayed great mastery which some of his successors apparently seem to emulate.

ALL THIS should not, of course, be construed as an apology for Waldheim. But the one compelling consideration for declaring him out of bounds simply does not exist. Others have reached that conclusion too.

To be sure, the quandary of our relations with Austria does not begin with Waldheim. Other names could be mentioned, albeit for different reasons, and, in retrospect, one may altogether question the lenient attitude which resulted in the establishment of diplomatic relations after the conclusion of the Austrian State Treaty in 1955. One may rightly wonder why Israel never

seriously insisted on restitution and indemnification as conditions for the exchange of embassies at the time, but once it decided to do so, it became futile to expect voluntary offers where formal requests had not been put forth with the necessary emphasis. Israel meekly followed the example of others in recognizing Austria as the "first victim of Nazi aggression," even though it should have known — and did know — better. But there is no point in crying belatedly over spilt milk.

Principles and personalities apart, however, it cannot be denied that relations with Austria have had their use — most conspicuously in the context of emigration from the USSR. That many Soviet Jews have opted for supposedly greener pastures elsewhere can certainly not be laid at the door of Austrian ill-will or interference.

Herr Waldheim, it is true, has manifested — and continues to man-

ifest — incredible self-righteousness. He is obviously not one to draw the kind of honourable conclusions drawn a few days ago by the president of the German Bundestag for an incomparably lesser offence, i.e., a deplorable error of judgement, not a witting or willing indecency. But that is not the issue.

Waldheim was elected by the people of Austria. The one crime, which in an unsavoury world of mediocrity could and should preclude an Israeli ambassador from standing before him as the representative of the survivors of infamy, has not been proven. We might as well admit that we were led astray.

Once more, we are not concerned with sympathy. Few men merit it less than the President of Austria. We did not elect him, but those enfranchised in his country did. Their judgment has been sadly at fault, but that happens elsewhere too.

At a time when we need international support wherever we can find it, little is to be gained by perpetuating the consequence of having been misled. Israel needs an ambassador in Vienna.

The writer is a former ambassador to West Germany.

READERS' LETTERS

VOTER PARTICIPATION

To the Editor of The Jerusalem Post

Sir, — Your editorial of November 10, "Democracy in America," unfavourably compares Israel's political system to that in America.

True, Israel's electoral system is not only "paralytic" but also distorting. However, one of the most important tests of a democracy's vitality and strength is the magnitude of the people's participation in its process. From that point of view, Israel can proudly point to the 80 per cent of its voters taking part in the recent Knesset elections (and an even higher rate amongst the Jewish population) — compared to the 50 per cent voter turn-out in the U.S. presidential poll.

ZALMAN SHOVAL

Tel Aviv.

NOT WANTED

To the Editor of The Jerusalem Post

Sir, — It seems that both major parties are prepared to amend the Law of Return in order to win over the ultra-Orthodox parties. In doing so, Shamir and Peres may not worry too much about the non-Orthodox Jews living in far-off America and the Diaspora, but they are alienating those of us who are considering aliya.

My mother converted to Reform Judaism in England. I have been brought up as a Jew, studied and enjoyed Judaism, celebrated my bar-mitzva and have a passion for Israel. I am presently serving in *Sherut La'am*. To be told now that I am not recognized as a Jew and not welcome in my own land under the Law of Return is not just vehemently insulting, but also blatant discrimination — against Jews!

If this amendment is passed, Israel will be alienating Jews, passing laws against us. Could this really happen? What are we coming to? Once I thought I belonged in Israel. Now Israel doesn't want me.

BARRY BARNETT

Ashkelon.

To the Editor of The Jerusalem Post

Sir, — I write in response to Allan Shapiro's article of November 4. Mr. Shapiro is properly concerned about American involvement in Israeli elections but seems to have no qualms about attacking the judgment, if not the integrity, of a senior United States senator on the very eve of our national elections.

Mr. Shapiro contrasts Senator Moynihan's "yeoman service in opposing the General Assembly's resolution equating Zionism with racism" with his alleged sponsorship of "study courses for overseas youth at a super-nationalist extremist Jewish Quarter yeshiva, which also sponsors West Bank settlement." I can only assume he is referring to the Senator's role as an Honorary Chairman of the Jerusalem Fellowships Programme which is sponsored by Yeshivat Aish Hatorah.

The Jerusalem Fellowship's North American Advisory Committee consists of leading figures in American Jewish life including the chairman of the Synagogue Council of America and respected lay leaders of every branch and faction of American Jewry. The

JERUSALEM FELLOWSHIP PROGRAMME

programme participants in Israel have been hosted by President Chaim Herzog, three present and past prime ministers of Israel (Shimon Peres, Yitzhak Rabin and Yitzhak Shamir) and numerous luminaries from every major Israeli political, cultural and social movement. Both the Jerusalem Fellowships and Aish Hatorah are scrupulously apolitical. The description of either institution as "super-nationalist extremist" is as ludicrous as the claim that either "sponsors West Bank settlement" (it is true that the school is located in the Jewish Quarter of the Old City and to that degree is on territory that some might consider to be part of the "occupied territories"). In addition, the school was once involved with a settlement within the Aish Hatorah whose creation was supported by both Labour and Likud. Aish Hatorah is not affiliated with any Israeli political party and takes no position on the settlement question.

THE "MOABIT" SYNAGOGUE

building. This is first-hand information, as I grew up in the residence of the synagogue, where we lived from 1919-1939.

JUDITH MASCHIEFF
née ELLENBOGEN

Haifa.

★ Concerned Israelis ★ Tourists

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POSTSCRIPTS

HUMAN MEMORY is estimated to be capable of retaining 100 billion bits of information, which means that a typical adult's brain holds 500 times the information in the complete Encyclopedia Britannica. And if that's too much to comprehend, *Science Digest* gives us this: researchers at Bell Laboratories estimate that there is more information in a weekly edition of *The New York Times* than a person in the 16th century processed in a lifetime. And there is probably as much useful information in this Postscript as possessed by all mankind in the entire Paleolithic Period.

VIDEO WALLPAPER seems like an unlikely product, but it can be found at the top of a page in a Toronto-area Yellow Pages. Actually, the listing is a page guide ("Video" to "Wallpaper"). As reported here earlier, folks in North America spend hours searching for odd Yellow Pages marriages, such as the following from the abovementioned directory: Extermination Fans; Limousine Linoleum; Animal Antiques; Word Yard; Cheese Chimneys; Insurance Interceptors; Baby Bakers; Whiproll Windows; Iron Janitors; Grocers Guns; Shock Shoes.

MOST BRITISH men are unsociable compared with women and need a drink before they can mix easily, according to a survey in *Woman's World* magazine. British men are quiet at parties, dread big social events such as weddings and leave their partners to make the first move in getting to know the neighbours.

The shyest are the Scots, 65 per cent of whom stay silent until they have consumed enough drink. Half the men in the rest of Britain are the same.

But once the drink takes hold, men become the life of the party and 60 per cent of wives go home first.

THE HEBREW UNIVERSITY OF JERUSALEM

The Programme of Canadian Studies
Co-sponsored by the Government of Canada and Ralph and Rox Halbert, Toronto

The Israel Association for Canadian Studies

invite the public to a lecture on:

Ethnic Violence in Canada

The Case of the Riot at Christie Pits

by

Prof. Cyril Levitt

Department of Sociology

McMasters University, Hamilton

on Thursday, November 24, at 4:30 p.m.

Meiersdorf Faculty Club, Mount Scopus Campus

The Hebrew University of Jerusalem

J.F.K., Then And Now

After 25 Years, His Aura Resists The Chill of History

By MICHAEL T. KAUFMAN

FOR much of the 25 years since John F. Kennedy was killed, his death has tended to overwhelm his life, casting his Presidency as a virtuous road to martyrdom. But in recent years both that life and that Presidency have been weighed from critical perspectives that either did not exist during his thousand days or only matured later — influences like feminism, the Vietnam peace movement, the New Left and neo-conservatism.

Indeed, even in regard to the civil rights movement, which was in full sway during Kennedy's Presidency, historians are diverging from a consensus that had assigned him a leading role. Several writers, most recently Taylor Branch, have contended that the era should more rightfully be identified with the Rev. Dr. Martin Luther King Jr.

Interest in President Kennedy is surging, and not only because the anniversary of his death falls this week, on Nov. 22. For many now in middle age, including those ascending to positions of power, basic political reflexes were established in the early 1960's. Then it seemed that an attractive, sophisticated and witty man had displaced the small-town Rotarians who exemplified the Eisenhower years. Guy Lombardo gave way to Pablo Casals, and Robert Frost read at the inaugural. The Ugly American was going to yield to the Peace Corps.

Another John Kennedy emerged later, from the accounts of historians and biographers, most notably Garry Wills, and from investigators delving into old gossip. Collectively, these portrayed a man who could conduct an affair in the White House with a gangster's moll, who was fascinated with clandestine operations, who built his own image with the cunning of a press agent and whose panache approached swag, both in his private life and in his national and foreign policies.

But even now, memories of a thrilling sense of movement can obscure that negative version of the man. Both blatantly and subliminally, Kennedy's spirit was routinely invoked in the 1988 Presidential campaign. Gov. Michael S. Dukakis stressed the Massachusetts origins, the social visions and the underdog combativeness that he said he shared with Kennedy, while Republicans from Jack Kemp to Dan Quayle sought to project the youth, vigor and spontaneity of his image.

"While much of the recent historical work on Kennedy has involved negative and unflattering disclosures, all the references in the campaign were positive," said Gary Reichart, a historian at the University of Maryland. "What remains constant has been Ken-

nedy's brilliance in using the Presidency to exhort the nation."

Prof. Herbert S. Parmet of the City University of New York, whose two-volume study of Kennedy almost a decade ago is credited as one of the first to depart from the early hagiography or iconoclasm, agrees. "There is no doubt that Kennedy still sets the standard for the Presidency in a television age," he said in a recent interview. "That much was clear in the 'You're no Jack Kennedy' charge that Bentsen leveled at Quayle."

There is virtual unanimity about President Kennedy's wit and charm and style, and about the positive ends they served. But many historical questions remain as to who Jack Kennedy was, and these continue to be studied and debated.

For example, new questions about his relations with Martin Luther King and his commitment to the black leader's vision are raised in Taylor Branch's new book, "Parting the Waters: America in the King Years."

Hints of Opportunism

It was mostly in the aftermath of Kennedy's thousand days, and not during them, that he became known as a civil rights champion; most of the legislative accomplishments of the era were the work of Lyndon B. Johnson. On this score, Mr. Branch's picture is distinctly less flattering than some earlier accounts. The book describes how, in the 1960 campaign, Kennedy exploited a phone call he made to Coretta Scott King while her husband was in jail, later exaggerating his friendship with Mrs. King to gain black votes. It also describes Kennedy, fearful of what J. Edgar Hoover knew of his erotic encounters, succumbing to the F.B.I. director's pleas to approve wiretaps of Dr. King's phones.

As to Kennedy's sexual liaisons, the last decade has brought reports of involvement with women including Marilyn Monroe and the Mafia moll Judith Exner and, when he was an intelligence officer in World War II, with a suspected Nazi sympathizer. The reports, while varying greatly in reliability, have established a promiscuous, reckless image that few dispute any longer.

Prof. Henry F. Graff of Columbia University, a historian who specializes in the American Presidency, said such revelations contrast with the laudatory books and reminiscences that appeared in the decade and a half after the assassination. "They were not unlike books about Lincoln," Professor Graff said. "In the case of Kennedy, the hagiography began to give way to critical assessments of liberals disillusioned by Vietnam."

Indeed, many reassessments came from the New Left, which argued that old Cold War assumptions and loyalty to expansive capi-



David Shannon

talist interests shaped Kennedy's policies. This was the contention of Bruce Miroff's "Pragmatic Illusions," published in 1976, before the bulk of Kennedy's papers were made available to scholars.

In 1974, Nancy Gager Clinch, a feminist writer, wrote "The Kennedy Neurosis," which she called a "psychohistorical" study. She was widely attacked at the time for the speculative analysis, but her theory relating what she termed the "hyperactive" sexuality of President Kennedy and his father, Joseph P. Kennedy, to a "macho" view of leadership surfaced in other books, notably Garry Wills's "The Kennedy Imprisonment."

Mr. Wills, a professor of American culture and public policy at Northwestern University, subtitled his 1982 book "A Meditation on Power," and depicted President Kennedy as a man ensnared by his own myth. The book gave wide exposure to such findings by more recent historians that Kennedy's Pulitzer prize-winning biography, "Profiles in Courage," had been ghost-written and that the Pulitzer it won had been engineered by Arthur Krock, the late columnist and Washington Bureau Chief for The New York Times.

Mr. Wills portrays a compulsive risk-taker in both private and public life, who viewed the Bay of Pigs "as a James Bond exploit, the

very definition of the New Frontier." Like some other historians, including Mr. Parmet, Mr. Wills sees the seeds of the Vietnam debacle in the Cuban invasion that failed.

As for Kennedy's direct responsibility for Vietnam, the issue is still unclear; by the time of his death, 15,000 American soldiers were there with an uncertain mission. Kennedy's advisers and defenders, men like Kenneth O'Donnell and Arthur M. Schlesinger Jr., insisted that had he lived he would have extricated the United States.

Such assumptions were challenged by David Halberstam's "The Best and the Brightest" in 1972. The book focused its criticism on the technocrats and Cabinet members who waged and planned the war, but these were all men drawn to Washington by Kennedy. Furthermore, Mr. Halberstam wrote that if the President had doubts about Vietnam, he never showed them in public.

The Writer-Fans

The Kennedy loyalists, besides Mr. Schlesinger, included some writers — Theodore White, Joe Alsop, Ben Bradlee and Hugh Sidey, among others. Victor Navasky coined the term "honorary Kennedys," while other critics called them "the court historians" or "keepers of the flame."

Mr. Wills regards the group as something of a feudal body whose loyalties became institutionalized. But others find the constant devotions of these men to be laudable proof of Kennedy's ability to lead and inspire. "Look at the self-serving recollections that have come from President Reagan's aides even before his term ends, and you have to regard Kennedy's people with admiration," Mr. Parmet said.

Younger historians say that the skirmishing between the loyalists and the revisionists has waned. "The New Left critiques have subsided and the personally involved defenders also are increasingly leaving the field to younger historians who are looking at the Kennedy years with greater detachment and disinterest," said Mr. Reichart, the Maryland professor. "We've probably learned the worst about Kennedy and the best about him, and now what historians face is the task of putting it into context."

The Transition Is Slower on Domestic Issues

In Foreign Policy, the Bush Era Is Here



President-elect Bush with Chancellor Helmut Kohl in Washington last week.

The New York Times/Paul Hooft

By STEVEN V. ROBERTS

ALL new Presidents want a decisive victory early in the season, a quick opportunity to show that they are in place and in command. "He wants the public to have the perception that he is doing things of value, that he has a sense of positive motion," a senior adviser to the Bush transition team said. "People actually want the change of Presidents to be a process of renewal."

As George Bush moved through his first full week as President-elect, it was clear that his earliest opportunities for demonstrating forward motion are falling in foreign affairs. On his return from a brief Florida vacation, he met with two European leaders paying farewell calls on President Reagan, Margaret Thatcher of Britain and Helmut Kohl of West Germany. He is to meet this week with the President-elect of Mexico, Carlos Salinas de Gortari. In addition, it was announced that Mr. Bush and Mr. Reagan will have an informal luncheon with Mikhail S. Gorbachev in New York when the Soviet leader visits the United Nations early next month.

The meetings with the European allies symbolized the transfer of power to the new Administration, as Mr. Reagan nears the end of his official relationship with the two leaders, and Mr. Bush starts to build his own. Combined with Mr. Bush's own background and instincts, the meetings signal his likely early priorities.

"Conventional wisdom says that people deal with domestic policy first and foreign policy second," a White House official said. "But that is not necessarily the case with Bush." He has always displayed a preference for foreign policy, with Government posts including envoy to China, delegate to the United Nations and Director of Central Intelligence; during the campaign, he often cited the foreign policy role he played as Vice President.

The emphasis showed in his first appointment, James A. Baker 3d, one of his closest friends, as Secretary of State. Mr. Baker, a former Treasury Secretary and White House chief of staff, "likes to be where the big

Continued on page 3

A new turning point
Palestinian
nationhood and
Israeli resolve

A State Is Declared, to Practically No Effect

Palestinian Nationhood And Israeli Resolve

By JOEL BRINKLEY

WITH a larger than average dose of pomp and fanfare, Palestinian leaders proclaimed a new state in the Israeli-occupied West Bank and Gaza Strip last week. But when the dust settled and the residents of the "state" looked around to assess their new status, they realized that nothing had really changed.

For them and for the other parties involved, here and abroad, the language and the facts seemed to remain true to a decades-old script.

In the days after the proclamation issued in Algiers by the Palestine National Council, the nations that have usually backed Yasir Arafat's Palestine Liberation Organization recognized the declaration of the new state, including the Soviet Union, while those allied with Israel, among them the United States, did not. Faced again with the longstanding differences within the P.L.O., Mr. Arafat declined to say whether he believed that the declaration represented acceptance of Israel.

Israelis displayed rare and wholly unplanned unity: leaders of both the left and the right dismissed the declaration as irrelevant and the council's seemingly moderate language on related issues as a charade. Israeli military officers said that their successes in the occupied territories over the last few days had only moved them closer to crushing the 11-month Palestinian uprising once and for all. They have said the same thing more than once before. The Palestinians, as always, said their revolt would only grow stronger.

But when the 1.7 million Palestinian residents of the occupied territories woke up on "independence day," as the P.L.O. designated Nov. 15, there could hardly have been a more effective demonstration of the declaration's irrelevancy to them, at least in the short term.

The roughly one million residents of the West Bank looked out their windows to see an Israeli troop presence as large as any in the last 20 years patrolling the area to insure there wasn't even the smallest sign of a public celebration. At that they succeeded. Most Palestinians interviewed on the street were too afraid even to whisper about whatever joy they may have felt. Military airplanes and helicopters circled overhead, telephone service was cut off and Palestinian workers were forbidden to leave the West Bank for their jobs in Israel.

'They Can't Stop What We Think'

The 550,000 residents of the Gaza Strip, who are easier to control since they live in such a small area, were locked in their homes for five days ending Thursday, under order from the army not to step outside unless they wanted to risk being shot. They lost not only their phone service but also electricity and water for most of "independence day."

Even if the power had been left on, residents of Gaza, like those in the West Bank and in Israel, would not have been able to watch the declaration of independence on Israeli television anyway: The Israeli broadcasting authority forbade the nation's only television network, which is state-owned, to air any footage of the convention in Algiers, causing a small storm of protest inside Israel as well.

"They wanted to show us who was in charge," a Palestinian leader in Gaza said. "They made their point. But they can't stop what we think."

The Israelis were gleeful at their success. Maybe the declaration had a positive result, they were saying last week. By crushing any celebration, humbling the Palestinians, maybe Israel had broken the uprising's back at last. While the military sat on the residents of the new "state," Israeli leaders spoke as one for the first time in many months.

Asked if he saw even the slightest good, the small-



Associated Press



Israeli troops on heavy patrol in Jerusalem last week as Palestinians met in Algiers; Yasir Arafat, at Algiers meeting, declaring the establishment of an independent Palestinian state.

Sygma/Patrick Robert

est sign of moderation, in the P.L.O.'s actions, Foreign Minister Shimon Peres said simply, "No."

To the same question, Yossi Ben Aharon, director general of Prime Minister Yitzhak Shamir's office, said, "I can't see anything positive here."

To those in the United States and elsewhere who were encouraged by the voices of Palestinian moderates they heard speaking up at the conference in Algiers, Mr. Peres said, "We feel very strongly that under a headline of moderation is a more extreme position on the P.N.C."

Mr. Ben Aharon wrote an analysis of the council's actions for dissemination abroad that concluded, "The P.L.O. resolutions and the declaration of statehood are an exercise in disinformation whose purpose is to create the impression of moderation."

Mr. Peres gave his views at a press conference on

Thursday. Virtually every time he has given one in the past, Prime Minister Yitzhak Shamir's office has found it necessary to invite reporters in or release a statement of its own to counter something — sometimes everything — Mr. Peres has said.

"This time it wasn't necessary," an official in Mr. Shamir's office said. "His thinking and ours are the same."

Mr. Ben Aharon said the approach was not coordinated. "Unfortunately, nothing between us is coordinated now. But, thank God, this is one issue we agree on."

Mr. Peres said, "There is a P.L.O. position that unites all of us." The problem, he added, is that "it's going to take awhile for the people of the world to wake up and realize that it was only another very complicated night."

'Never Broken'

To Emigrés, Sakharov Remains Above It All

By CELESTINE BOHLEN

THE night he arrived in Boston on his first trip outside the Soviet Union, Andrei D. Sakharov accepted a box of long-stemmed roses from a man he had never met — an American-born Crimean Tatar whose people have been on Dr. Sakharov's list of causes for more than 20 years.

It was a gesture meant both to welcome the Nobel Peace Prize laureate and to pay him homage. For the few Crimean Tatars living in the West, as for many others concerned with Soviet human rights issues, Dr. Sakharov, at 67 years old, is a symbol of constancy, an unmovable light against which people and events are brought into focus. His two-week trip here, which began Nov. 8, has only reinforced that view.

"He was never broken," said Ayshe Seytmuratova, a Crimean Tatar who emigrated here 10 years ago and was reunited with Dr. Sakharov last week. "He has always spoken out his opinions, no matter what, no matter where. He used to fight for these same issues before, back in the time of stagnation."

"If his fight now coincides with perestroika, he's not to blame," she continued, using the Russian word that has become synonymous for changes under way in the Soviet Union. "I don't see any changes in his struggle, except perhaps a few changes of words."

Not all Soviet immigrants are so accepting of Dr. Sakharov's defense of official Kremlin policies. A few say quietly that in embracing perestroika, he is letting himself be used by Mikhail S. Gorbachev, the Soviet leader; others think his list is too limited and that he should speak up more forcefully on other causes, Jewish emigration, for instance. For Yuri Yarim-Agaev, who was exiled in 1980 and now heads a group, Center for Democracy, in New York City, Dr. Sakharov's backing of Mr. Gorbachev's program is somewhat puzzling. "If he is calling for support of Gorbachev, then I must disagree with him," he said.

But for the most part, Dr. Sakharov's moral authority puts him above the debates that continually rage in émigré circles about where the Soviet Union is headed. "I love Sakharov very much, and I relate to him as a great man, whether he is right or wrong," said Alexander I. Ginzburg, a dissident who is now a journalist in Paris. "He has a right to love Gorbachev, and I have a right not to."

During the decade when Soviet authorities were moving to break up the human rights movement, Dr. Sakharov's old associates scattered, many to the West. Some remained active in human rights campaigns in Washington, Israel, Geneva or Vienna.

Others have retreated into a self-ordered exile. Alexander I. Solzhenitsyn, through a spokesman, declined to comment on Dr. Sakharov's visit. Valery Chalidze, another veteran of the early days of the movement who now lives in Vermont, said he had nothing to say because he is "out of touch."

A Special Role

In a speech in 1981, Mr. Chalidze carved out a special place for Dr. Sakharov in the centuries-old Russian conflict between the intelligentsia and the state. In this tradition, Mr. Chalidze said, Dr. Sakharov was the exception who went beyond the "exclusively negative role" typically pursued by the cultural elite. Mr. Chalidze predicted that Dr. Sakharov will be remembered "as one of those rare intellectuals who dared to break down the wall between power and culture, disregarding the moral taboos of his social group and the lack of understanding of the authorities."

In Mr. Gorbachev's Soviet Union, Dr. Sakharov remains neither insider nor outsider. He was nominated to the governing body of the Soviet Academy of



Andrei D. Sakharov in Washington last week.

Sciences at the same time that he became honorary chairman of the unofficial anti-Stalinist group Memorial. He has defended the right to emigrate, but has never expressed a personal desire to live outside the Soviet Union. And he appears comfortable both praising and criticizing the course of change.

Many émigrés now in America are more cynical about Mr. Gorbachev's program; most had not been politically active in the Soviet Union but upon arrival here turned aggressively pessimistic about the chances for change from Moscow.

Many former dissidents, on the other hand, want to encourage positive changes, and are willing to acknowledge them when they happen. In their view, Dr. Sakharov is the best person to draw distinctions on the nature of the changes taking place. "He is a reasonable man," said Yuri F. Orlov, a physicist and former political prisoner who lives near Geneva. "He says what is good and what is bad. He is a scientist. I know many Sovietologists in the West who are not scientists, but romantics."

Many old associates feel that Dr. Sakharov, for the moment, has the better of his relationship with Mr. Gorbachev. "It is impossible to use Sakharov in any direction," said Dr. Valery Solfer, a biologist who emigrated last year and now teaches at Ohio State University. "He does not belong to any group, any faction." Dr. Sakharov's friend, Ludmilla Alexeyeva, an émigré and author of a book on Soviet dissent, put it this way: "Circumstances change, but Dr. Sakharov doesn't change. Auditoriums change, but Dr. Sakharov doesn't change. There is something so great, so nice in his unchangingness."

A Voice From Peru

'Why Is Democracy Losing Ground?'

By MIRKO LAUER

AFTER almost 1,000 days of looking good in the polls, Peru's President, Alan García Pérez, has seen his popularity rating crash from a peak of more than 80 percent in 1985 to about 20 percent since he imposed draconian anti-inflationary measures in early September. Now his possible resignation and the possibility of a coup are openly and frequently discussed.

Inching toward its ninth year, Peru's democracy has become one of the shakiest in Latin America, and it is suddenly fashionable to speculate whether it will make it to the July 1990 elections.

Peru's economic chaos, not the havoc created by eight years of warfare waged by the Maoist Shining Path guerrillas, is seen to be the main cause of uncertainty.

In recent weeks, polls show that the popularity of all leaders, including fierce opponents of the President, has been falling as Peruvians increase their preference for "ninguno" — none of the above.

Why is democracy losing ground in its most important territory, the minds of the people? Why has democracy not done more to save Peruvians?

The answer may lie partly in the fact that eight years of democracy have brought harder times than the previous 12 years of military rule. In the 1970's Peru enjoyed better prices for its commodity exports and was able to borrow heavily abroad. It is not surprising that some Peruvians should associate political freedom with economic hardship.

Peru's right wing, which is trying to form a so-called Democratic Front coalition, sees democracy as potentially dangerous because, this thinking goes, it could get out of hand and bring a radical solution at the polls.

It is still playing by the democratic rules, but its

more extreme members have made it clear that they might favor a coup if the left were to win in 1990.

On the other hand, the seven-party coalition known as the United Left believes that it can win power through the ballot box because its likely presidential candidate, a lawyer and former Mayor of Lima, Alfonso Barrantes, has a 10-point lead in the polls over the right's possible nominees. They are the former President, Fernando Belaunde Terry; a former Mayor of Lima, Luis Bedoya Reyes; and the novelist Mario Vargas Llosa, whose presidential chances have seemed to decrease as Mr. Belaunde's have increased.

The recent forced resignation of a powerful pro-García army officer, Gen. Victor Raul Silva Tuesta, also served to remind politicians of the continuing danger of a coup. The armed forces deny such an intent. Yet the seeming indifference of many Peruvians in the face of coup rumors that recently swept Lima nevertheless underlines their disappointment with democracy.

Despite the apparent mood of polarization, the population is not living its gloom in terms of parties or ideologies but rather as a function of coping with the perils of day-to-day life.

Members of the middle class fear impoverishment more than the guerrillas and the poor fear unemployment and inflation. Prices rose by 114 percent in September alone and another 40 percent in October.

In a recent poll, 52 percent of those questioned said they would leave Peru if they had the chance; an additional 10 percent had mixed feelings about remaining here. Almost 120,000 people have emigrated in the past three years — more than half of them to the United States — effectively doubling the number of Peruvians now living abroad.

With Mr. García's party in tatters, the scheduled election seems to be developing into a showdown between the United Left's socialism and the Democratic Front's version of the Chicago School's free-market economics. Whatever the result, the outcome will be more demands on a democratic system that so far has given Peruvians little in return for its survival.



Peruvian policeman arresting striking worker in Lima this month during a protest for better wages.

Mirko Lauer is a poet and the chief editorial writer for the center-left Lima daily *La República*.

The Nation

Fear of the Deficit

The President-Elect Plummets in the Financial Markets

By PETER T. KILBORN

THE anonymous disciplinarians of the financial markets gave President-elect Bush a brutal warning last week: If he won't break the impasse over the Federal budget deficit, they will.

The Dow Jones industrial average had already fallen 50 points since Election Day, and the dollar had brushed a record low in relation to the yen. Then on Wednesday, the man who exerts more influence over the markets than anyone else, Alan Greenspan, the Federal Reserve chairman, weighed in.

Before the bipartisan National Economic Commission, which Congress empowered to find a way to cut the deficits but which the Bush campaign said was scheming to raise taxes, Mr. Greenspan scorned the claims of the minority of economists, some advisers to Mr. Bush, that the country can grow its way out of the deficits. With a fearful nod to the Fed's power to influence interest rates, the currency market pummeled the dollar, the stock market pummeled the Dow and the bond market drove up interest rates.

The President-elect came forward. "I think they do matter," he said of the deficits at a news conference in Washington, "and when I go into office we'll do something about it."

But he rebuffed appeals that he call a "budget summit" with Congress before Inauguration Day, and left the budget commission, which had already abandoned its Dec. 21 deadline for a deficit-cutting proposal, in limbo. At the White House, where President Reagan has begun work on his last budget, for the fiscal year that starts next October, aides said Mr. Bush is expected to be only peripherally involved.

Since last December's budget accord, struck between President Reagan and the Democratic Congress after the stock market rout that became known as Black Monday, the deficits were expected to diminish bit by bit from the \$155 billion of fiscal year 1988, even without new taxes or spending cuts. That was partly because of the \$76 billion in cuts over two years agreed to then. Largely, however, it is because of an accounting device involving the rapidly growing surplus in the Social Security trust funds. But a stalemate persists on how to drive the deficits all the way to zero in 1993, as a budget-balancing law requires. And now the deficits are destined to grow.

One reason is that the economy next year and in 1990 is likely to be weaker than most economists anticipated until a month or two ago. Another is that demands are building for more spending to bail out 500 insolvent savings banks, which could cost several billion dollars a year, and to fulfill Mr. Bush's campaign promises, such as child care for working parents and stopping the flow of illegal drugs.

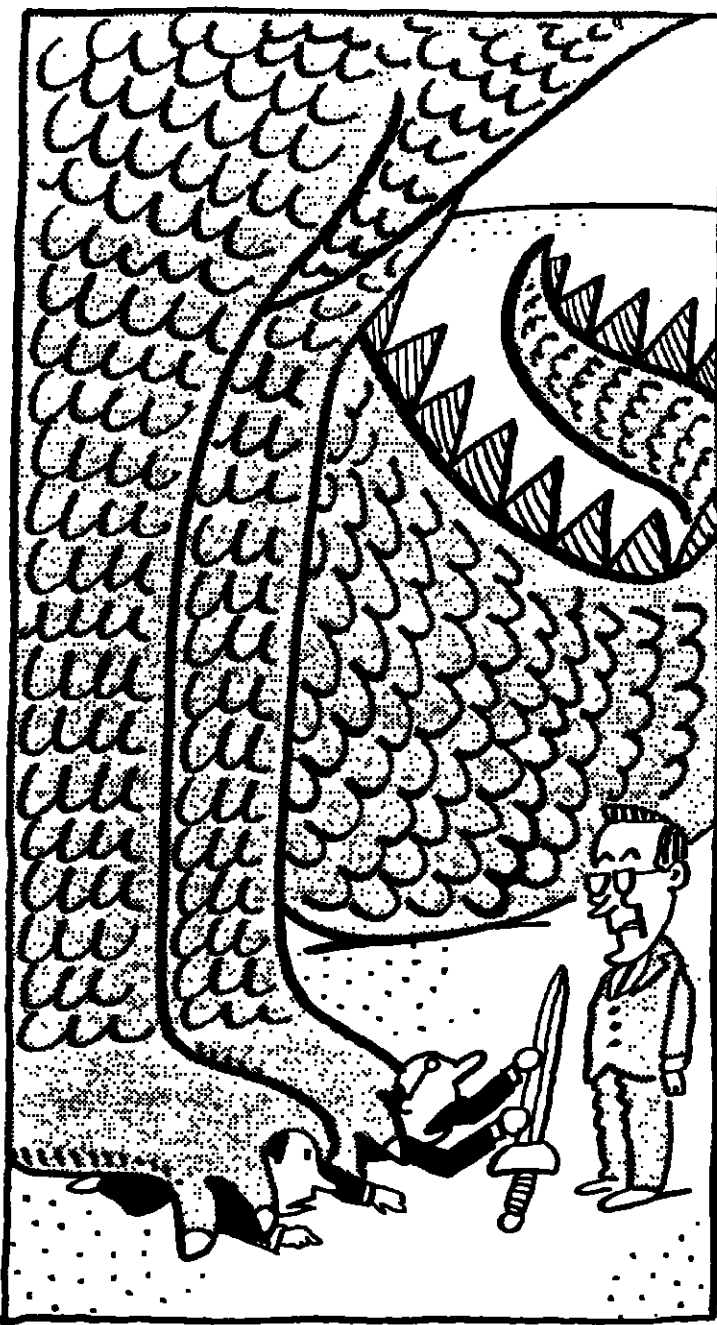
Because of the weaker economy alone, the President's budget office raised its tentative forecast for the 1990 deficit to \$132 billion from \$111 billion. Few economists are as optimistic. "It's clearly possible we'll be stuck in the \$150 billion range at least through 1990," said James L. Blum, acting director of the Congressional Budget Office.

The markets play on the deficit debate in a variety of ways. Associates of Mr. Bush worry especially about the reaction of foreign investors to their economic policies. Warnings such as the General Accounting Office's report today that the budget deficits could hamstring Mr. Bush's freedom to run the Government only add to those concerns. This is part of the reason for the Bush team's attention to foreign policy.

Deal With the Allies

After last year's stock market collapse, the Reagan Administration managed to discourage foreign assaults on the markets. Deciding that a further decline of the dollar would be counterproductive, the United States and its economic allies successfully enforced a stable dollar, by buying dollars when the currency slid too much and selling when it rose. They did that again last week, after a secret meeting of emissaries of Mr. Bush and other governments in Paris on Monday.

But the markets remain suspicious. For one thing, they have no way of knowing what the industrial countries' finance ministers agreed to before dispatching their negotiators to Paris. Did the other countries assure Nicholas F. Brady, the Treasury Secretary whom Mr. Bush will be keeping on, of their unconditional support of a stable dollar? Or did they extract a pledge that Mr.



Stuart Goldstein

Bush cut the budget deficits?

Beyond the signals sent by the intervention last week, none of the countries have said what they mean by stability. They have set broad ranges for the dollar, assumed to be 120 to 140 yen and 1.60 to 1.90 German marks. But as the dollar reaches those limits, with a few phone calls the governments can alter them — or any one can ignore the limits when it suits its economy or domestic politics. The Reagan Administration has done the same with the deficits, fashioning hopeful projections showing them to disappear — but only by simultaneously hiding the troubles that are brewing.

Just before Black Monday, when the stable-dollar policy was in effect, then Treasury Secretary James A. Baker 3d went after the West Germans. He berated them for raising interest rates, a move that put pressure on American rates just as his friend George Bush was gearing up for the 1988 election. The stable-dollar policy, Mr. Baker noted, could accommodate certain adjustments. With that comment, the dollar dove.

It appears that Mr. Bush is no more likely to elaborate on the meaning of the terms of the dollar policy, or the secrets within them, than the Reagan Administration. "These are words of art," the President-elect said about stability and policy coordination on his holiday beachfront in Florida before his return to Washington last week. Said a spokeswoman for Mr. Brady, "We don't have any more to add to the definition."

Quick Switch

In Foreign Affairs, Bush Settles In

Continued from page 1

action is," a Bush adviser said. There is always big action in foreign affairs, but the new Secretary of State will push to make it the incoming administration's center of attention. That will not be difficult, the adviser added, because the meeting with Mr. Gorbachev next month will drive events, creating "a kind of inertial force of expectation and preparation that makes foreign policy come to the forefront much sooner."

Another reason for Mr. Bush's focus on foreign affairs is the intractable nature of the principal domestic problem, the budget deficit. With Congress firmly in Democratic hands, and with the President-elect locked into a campaign promise not to raise taxes, room for maneuver on reducing the deficit seems to shrink even as the problem gets worse.

His choice can be compared to events at a track meet. Domestic policy is like the javelin throw, with the outgoing Administration tossing the spear and the incoming one trying to catch it. Foreign policy is more like a relay race, with the baton handed smoothly on. The better option is obvious — particularly when Congress believes it holds the mandate on domestic matters. Indeed, one question is what Mr. Bush learned from the experience of Mr. Reagan, who lost fights on two major domestic bills, on clean water and highway construction, at the outset of the last Congress.

Lessons Learned

But in terms of the transition effort, Bush aides insist they have absorbed the lessons of previous teams. In 1976 and 1980, squadrons were set to investigating each department and agency, looking for evidence to embarrass their predecessors. "Shadow governments" became "too disruptive," said an aide handling the transition from the White House end.

Besides, said David Clinton, a political scientist at the University of Virginia and author of a report on transitions, "Presidents-elect often get so wrapped up in staffing their transition organizations that they don't leave enough time to fill their permanent positions." Each postwar President-elect has taken longer to name a Cabinet than the last.

Since Mr. Bush is the first elected President to succeed a member of his own party since 1928, his elevation amounts to what one official characterized as a "friendly takeover." But even friendly takeovers present problems. While Mr. Bush is not trying to build a whole new White House, he certainly wants to put on a fresh coat of paint. Right after Election Day, Mr. Reagan's request for the resignation of all officeholders set off an outburst of maneu-

vering across the capital that a State Department official described as a "family bloodletting."

"You've got all these people sitting at desks all around Washington, and most of them don't want to leave, or want somebody's else's desk," said Stephen Hess, a senior fellow at the Brookings Institution. "Nobody can overtly stick a knife into anybody. They're all supposedly on the same team." In fact, the political cutlery appeared almost immediately, as some Bush aides sliced up the President-elect's selection of Gov. John H. Sununu of New Hampshire as the White House chief of staff over Craig L. Fuller, his chief of staff since 1984. They complained that Mr. Sununu, a Washington newcomer, would not be able to negotiate with Congress on domestic matters. Mr. Sununu's partisans maintain that as a three-term Governor who was chairman of the National Governors' Association, he has immediate entrée.

In any case, the domestic policy machinery, more sensitive to political vibrations, tends to slow down before an election. Foreign policy issues like the strategic arms talks with the Soviet Union have been developing right through the campaign. And far more foreign policy specialists will remain in their posts than domestic, because fewer are political appointees.

This favorable terrain will make it all the easier for the President-elect and his new team to pay heed to the advice of the aide who warned that "a political honeymoon" without notable progress is "like a birthday party with no cake."



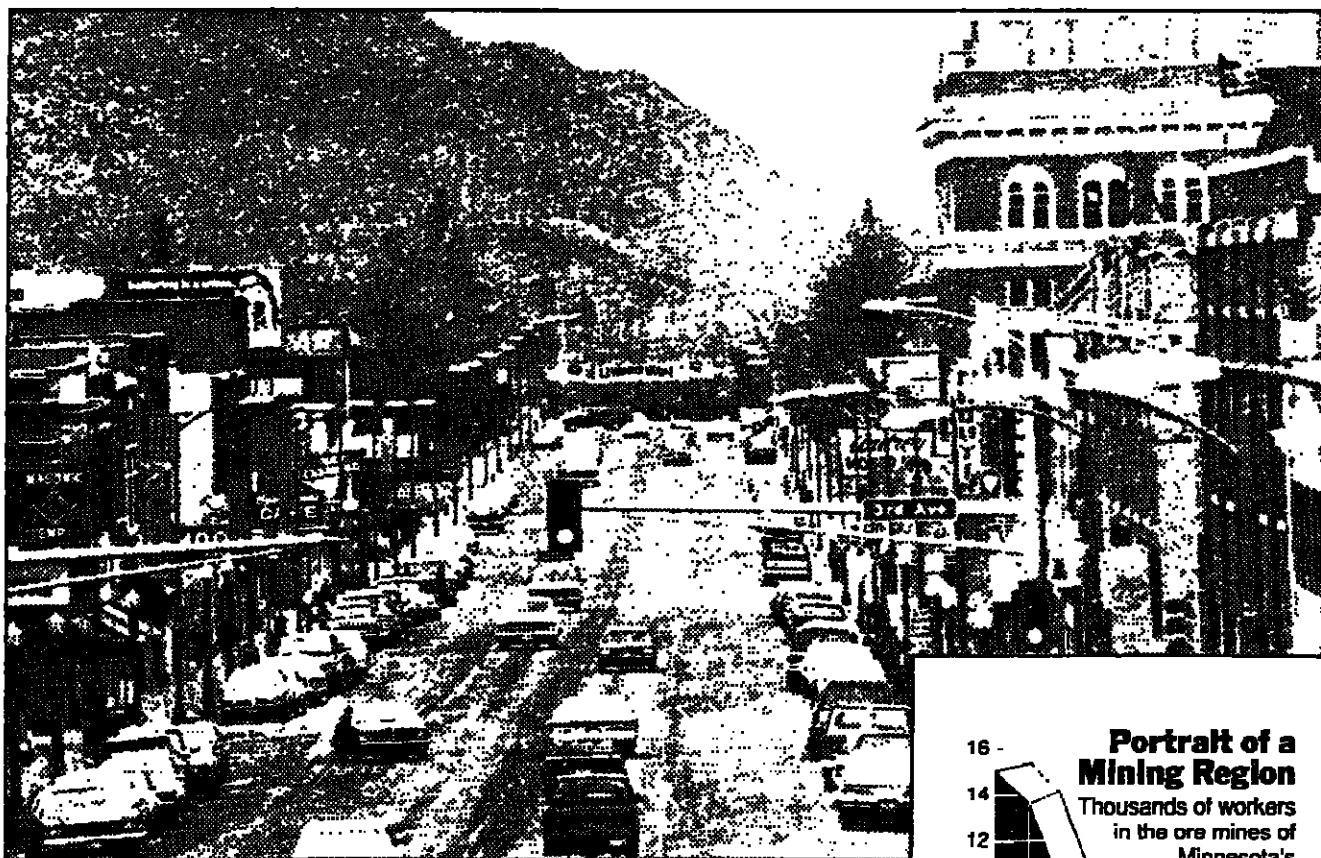
The New York Times/Paul Heston
Conferring with Prime Minister Margaret Thatcher in Washington last week.

Recovery Reaches the Iron Range

Heavy Industry Is Up, and So Is a Corner of Minnesota



Miners in Minnesota's Iron Range; people in Hibbing, Minn., with its history of boom and bust, find life noticeably better these days.



Star Tribune/Minneapolis-St. Paul (miners). The New York Times/Sue Wain (Hibbing)

By WILLIAM E. SCHMIDT

THE mines are busy again on Minnesota's Iron Range, working at near capacity to feed iron ore to the resurgent steel mills of Cleveland and Gary and Chicago.

In the nearby forests, timber and pulp-tree operations have picked up too, and at last count three paper mills in northeastern Minnesota had recently announced plans to expand their operations.

For merchants and real-estate agents in Hibbing, business is as good as it has been in a decade. At the Old Howard Saloon, where barkeeps have served three generations of miners, the owners added a new room.

As basic industry and heavy manufacturing have rebounded elsewhere, so has the economy of the Mesabi Range, a forbidding landscape in the northeastern corner of Minnesota where local fortunes have been tied to the Middle West's steel and auto plants.

But the economic turbulence of the last decade has wrought some permanent changes, with the Iron Range losing both people and jobs. Economists estimate the population of the Iron Range to be 324,000, a 5.5 percent drop from the 1980 census of 343,000. Most of those who left were miners. In 1980, there were eight mines across the Mesabi, employing more than 14,000 people. Today, there are only six mines, with about 5,500 workers.

But just as the automobile and steel industries have learned how to do more with less — steel production rose from 75,000 tons in 1982 to more than 89,000 tons in 1987 — so have the Iron Range miners of taconite, a low-grade iron ore that is refined into pellets for use in steel production. They produce nearly as much ore today as in 1980, when they had well over twice as many workers.

Jerrold M. Peterson, a professor of economics at the University of Minnesota at Duluth, says that the mines have not only invested in new technology, but have also worked with labor unions to reduce costs by 25 percent. Industry officials said taconite production this year will exceed 40 million tons, an increase of about 33 percent

over a year ago. In 1979, the peak year, production was 56 million tons.

While Hibbing and surrounding towns have fewer people than they did in the boom times of the past, those who are still here find life noticeably better these days. Unemployment, which peaked at nearly 22 percent in 1983, has dropped steadily and is now below 8 percent. The real estate market has been busy, and miners are once again coming into Don Hilligoss's car dealership with cash in their pockets.

"We all have to get by these days with a little less than we used to have," Mr. Hilligoss said. "But still, it's a lot better than it was."

Many of the 20,000 residents of Hibbing, about 75 miles northwest of Duluth, are the descendants of the Italian, Croatian and Irish immigrants drawn here in the early part of the century to mine the rich lode of iron ore that underlies much of northeastern Minnesota.

The mining companies not only built the town, but

they also rearranged the landscape, stripping the ore from huge pits — some of them two miles long, a mile across and 500 feet deep. With the earth they removed from these canyons, they built great flat-topped mounds that dot the horizon like the desert mesas of the Southwest.

Like mining towns everywhere, Hibbing has a history of boom and bust, which state and local officials have worked aggressively to break by encouraging the diversification of the Iron Range economy.

Electronics companies that have sprung up in recent years, in some cases lured by special incentives, have doubled their employment in Hibbing to more than 800 workers over the last year alone. And the wood products industry has invested nearly \$2 billion in new operations in northern Minnesota. The state even gave financial assistance to a Hibbing factory that uses Minnesota lumber to manufacture chopsticks for export to Asia.

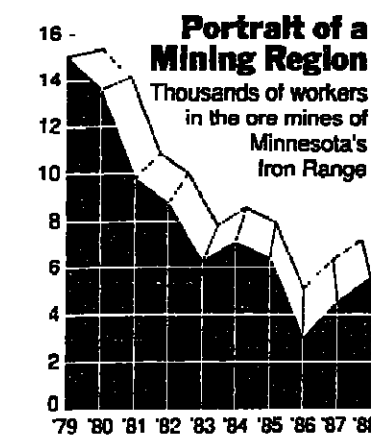
Programs such as this have resulted from the direct intervention of Gov. Rudy Perpich, who grew up in Hibbing and created a separate state agency — the Iron Range Resources and Rehabilitation Board — to funnel state aid into the area.

"When I came into office, the Iron Range was flat on its back," Governor Perpich, a Democrat who was elected in 1982, said in an interview. "So we got the mine owners and the power companies and unions together and said, 'Everyone has to take a bite.'"

The utilities agreed to reduce their rates. The mining companies restructured and trimmed middle management. The unions accepted changes in their work rules. And the state gave the mining industry nearly \$100 million in tax breaks. Such uses of state resources have made Governor Perpich a target of sharp criticism from political rivals in Minneapolis who have accused him of devoting too much time and state money to his home political base.

But the vigor and future success of the Iron Range economy will continue to turn, for the most part, on the fortunes of heavy industry elsewhere in the Middle West. As Professor Peterson notes, taconite still accounts for about 40 percent of the region's economy.

"The trick for people here is learning to readjust their expectations," said Professor Peterson. "Those old boom days in mining are unlikely ever to return."



Scholars See Parallels Around the World

Dissecting Fundamentalism, the Principles and the Name



Ideas & Trends

By PETER STEINFELS

It has been almost a decade since the Rev. Jerry Falwell formed the Moral Majority and since Ayatollah Ruhollah Khomeini took power in Iran — two very different developments involving two different religions, often linked by the single label of fundamentalism. Ever since, scholars have tried to understand what looked and still looks like a worldwide resurgence of religious fervor, and even to decide what to call it.

Two conferences last week, one in New York and one in Chicago, were devoted to examining the fact that something profound has happened in religion, something displaying what Martin E. Marty of the University of Chicago called "family resemblances" in groups as diverse as Shiite Muslims, militant Sikhs, Confucian revivalists, Latin American Pentecostals and Roman Catholic traditionalists.

Professor Marty is directing a five-year study of fundamentalism for the American Academy of Arts and Sciences, which sponsored the Chicago meeting. In his view, scholars need some conceptual tool for studying the resemblances among religious insurgencies, and "fundamentalism" is a handy one.

But participants at both conferences voiced reservations about the term. Speakers at the New York meeting, sponsored by the Hebrew Union College-Jewish Institute of Religion, said the word had often been a term of opprobrium, a label connoting fanaticism and closed-mindedness that is used by those styling themselves dispassionate and open-

minded. Prof. Riffat Hassan of the University of Louisville argued that fundamentalism was a rubric borrowed from American Protestantism and that it only hampered the search for satisfactory explanations for recent developments in the Islamic world.

The term "fundamentalist" was coined by Curtis Lee Laws, a religious journal editor, in 1920. A Northern Baptist opponent of theological liberals in his denomination, he took the term from a series of 12 small books defending theological conservatism that began appearing in 1910 under the title "The Fundamentals." Many Christians have proudly identified themselves as fundamentalists, but the label was quickly adopted by outsiders and applied to almost any traditionalist believers. Objections to it therefore came not only from those who resent the implication that adherence to principles like the literal interpretation of Scripture is fanatic or irrational, but also from conservative Christians who contend that many fundamentalist beliefs denature genuine orthodoxy.

At the Hebrew Union conference, Jaroslav Pelikan, a Yale University professor and author of a five-volume history of Christian doctrine, sharply contrasted the original claims of American fundamentalism with orthodox teachings of historic Christianity. He concluded that "authentic Christian orthodoxy includes a principle of development of doctrine" that American

fundamentalism has lacked.

The problem of employing the term "fundamentalist" is even more striking when it is applied to different religions and different cultures. A participant in the Chicago conference used the example of the

Malaysian Islamic movement known as "dakwah," which is categorized today as fundamentalist. If Malaysia had been the dominant cultural power, he wondered, would Americans now be analyzing televangelism in terms of Christian dakwah?

The underlying question is whether there really are enough "family resemblances" to justify a linking concept. Such elements as messianism, a literal approach to a sacred text, a strict moral code and the justification of violence may link some fundamentalist movements but not others, and they may also characterize non-fundamentalist groups.

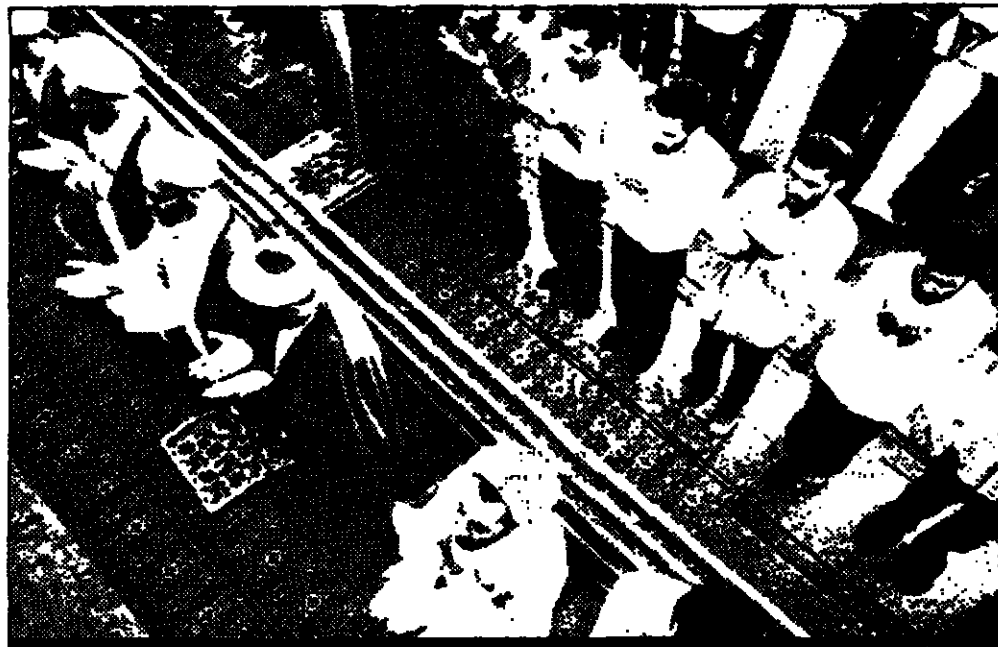
At the Hebrew Union conference, James Davison Hunter, a sociologist from the University of Virginia, proposed a general description of fundamentalism as a form of embattled orthodoxy that resists modernity, that seeks to reinstate a course of sacred history that modernity has derailed, that ties religious ideology to national identity, that wields a sacred text as authority for rejecting error, and that effectively organizes popular anger.

A Sense of Threat

Professor Marty, in a paper given last February, offered some similar characteristics. "Fundamentalism is always reactive" to a perceived threat, he said, and it selects certain "fundamentals" from orthodox tradition that serve to set boundaries and exclude threatening elements. It is dualistic and absolutist in its world view, suspecting mediators, compromises and ambiguity, he said.

Specialists studying everything from Theravada Buddhism in Sri Lanka to the Gush Emunim settlers of the West Bank have questioned one or another of Professor Marty's points. The five-year project that he directs is beginning an investigation that may reveal the distinctions between movements as much as the similarities. Among the questions: What draws people to fundamentalist movements? Is there a fundamentalist temperament? Do fundamentalist movements feature a typical role for charismatic leaders or a common attitude toward women?

If fundamentalism is the framework with which students of the worldwide religious resurgence explore such questions, by the time they finish this concept may no more resemble the simple model taken from American Protestant polemics than a revival tent resembles the Grand Mosque in Mecca.



The broad reach of the fundamentalist label: Religious fervor in the United States and in Iran.

Appealing for Cooperation on Copyrights and Patents

In the Marketplace of Ideas, Americans Ask for Protection



Software "pirate" transferring data from a master disk into a blank one at a computer center in Hong Kong.

By CLYDE H. FARNSWORTH

THE desire to collect the fruits of innovation is as old as man the inventor. The American colonists recognized it, as did the leaders of ancient Greece. As early as 500 B.C., in the upscale Greek colony of Sybaris, the Sybarites decreed that any confectioner or cook who created a unique dish had the exclusive rights to profits from it for one year.

In the late 20th century, intellectual property — the material covered by patents and copyrights, whose very

attractiveness to world markets lies in the fact that someone thought up something new — has taken on growing importance in the American economy. And creators in business and the arts have grown dissatisfied with the international protection available to them as they offer their products abroad.

Although there are no precise figures, economic losses from piracy of such intellectual property as patents on drugs and technological products, as well as copyrights on films, are estimated in the billions of dollars. Losses for the United States alone were placed recently at more than \$43 billion a year. Under pressure from filmmakers, pharmaceutical companies, makers of

computer software, jeans producers and a multitude of other domestic interests, Washington is seeking improved defenses against the pirates as an objective of negotiations, now entering their third year, among 96 nations seeking to achieve freer trade.

Industrial countries seek security and rewards for innovation chiefly to spur more innovation, or as the founders of the American Republic put it in the patents and copyright clause of the Constitution, "to promote the progress of science and the useful arts."

But many third world countries look at the issue differently. To them such protection either deprives them of, or makes them pay more for, the technology and cultural ideas they want for their development. This is especially true for pharmaceuticals, which the developing lands say are desperately needed to bring public health closer to Western standards. Such huge and fast-growing countries as India and Brazil offer only minimal protection for the rights to produce health products.

Yet as many of these countries develop innovative industries of their own, they have a growing stake themselves in stopping piracy. In South Korea, auto and electronics multinationals like Daewoo and Samsung are now in the same corner as General Motors and General Electric in demanding relief from the theft of ideas.

A Focus for New Policy

The negotiating effort — known as the Uruguay Round of talks because it began at a meeting of trading nations in Uruguay in September 1986 — is likely to become the focus for international economic policy of the Bush Administration as it searches for ways to cut the huge American trade deficit. That is because the Uruguay Round holds out not only a promise of greater protection of intellectual property, but also the prospect of wider export opportunities for American agriculture and high technology. The Reagan-Bush Administration is eager to lower barriers to trade in such sectors as agriculture and high technology, where the United States still wields a competitive advantage. There could be potentially large trade advantages as well if the negotiations can reduce piracy of American innovation.

In a speech to the United States Chamber of Commerce last Thursday, President Reagan illustrated the basic concern when he said the American computer software industry is losing more than \$4 billion a year because of the lack of copyright protection. "It's time we did something about this, and I'm confident we will," Mr. Reagan stressed. His speech was an effort to prepare his business audience for a meeting Dec.

5-8 in Montreal that will review the Uruguay Round and plan the remaining two years of talks.

On the question of intellectual property, Washington is fighting in these talks for an international pact that would raise the standards for protection of patents, copyrights, trade secrets and semiconductor designs. The Government also wants stiffer national enforcement of whatever standards are agreed upon.

In addition to greater security for products of the mind, the Uruguay Round is considering ways to end subsidies for agricultural exports and loosen restrictions on insurance, banking, accounting and other services. But of all the goals, the most important for American business is the code to toughen intellectual property protection.

Practically every American industry has experienced some losses from piracy. When President Reagan cited the computer industry, he might also have mentioned the American film industry, which estimates that it loses \$500 million a year. A Government study published in February estimated that the annual loss for American companies was between \$43 billion and \$61 billion. It targeted as the biggest offenders Taiwan, Mexico, Korea, Brazil and China.

Although there is widespread support for Washington's position on intellectual property, especially among other industrial countries, a dispute between the United States and Brazil over that country's refusal to protect United States patents on prescription drugs clouds the issue at Montreal. Washington has slapped punitive tariffs on \$39 million of Brazilian imports, and the action has enraged Brazilians, who have challenged it before a panel of the General Agreement on Tariffs and Trade, the Geneva-based organization that rules on trade matters and is sponsoring the Uruguay Round of talks.

In a recent interview here, Paulo Flecha Lima, the Secretary General of the Brazilian Ministry of Foreign Affairs, criticized the American attitude by saying that its "aggressive initiative on pharmaceuticals was not a good way of soothing our concerns."

Verbatim: Anything for Kafka

"This is perhaps the most important work in 20th century German literature, and Germany had to have it. From my perspective, it was a very low price."

Heribert Tenschert

a West German book dealer, after making a successful bid of \$1.98 million for Franz Kafka's handwritten manuscript of "The Trial."

Japan's Best Movies Aren't a Leading Export

Could it be that the world that welcomes the country's VCR's finds its finest films too Japanese?

By VINCENT CANBY

THROUGHOUT Mitsuo Yanagimachi's "Fire Festival" ("Himatsuri"), one of the finest films to be made here in recent years, there recurs a series of images that are initially funny but which, as the film progresses, become increasingly disturbing.

Kimiko, a prostitute at the end of her prime, has returned to the small fishing village where she grew up. She's broke and at her wit's end but unfailingly cheerful as she goes about her bawdy business. When she's all dolled up in short, tight-fitting dresses and spiky high heels, she strides. When she puts on a traditional kimono, with the obi tied in the back, she takes smaller, ladylike steps.

Whatever she's wearing, however, Kimiko can't help but sashay, sometimes more broadly than others. Underneath the frequently hoisted or removed clothing, she is the same desperate woman. Only the fashions change.

The story of Kimiko is not the main concern of "Fire Festival," but it reinforces the enormous power of a movie that, above all else, is about the shifting, contradictory impulses shaping contemporary Japan.

More than the films being made in any other country today, Japanese films illustrate, in one way and another, what's happening in this land, but then Japan's growing influence as a great economic power is so apparent that only a mountain hermit could remain untouched. It's evident in every aspect of Japanese life — finance and industry, fast food, appliances and, in particular, the content of their movies.

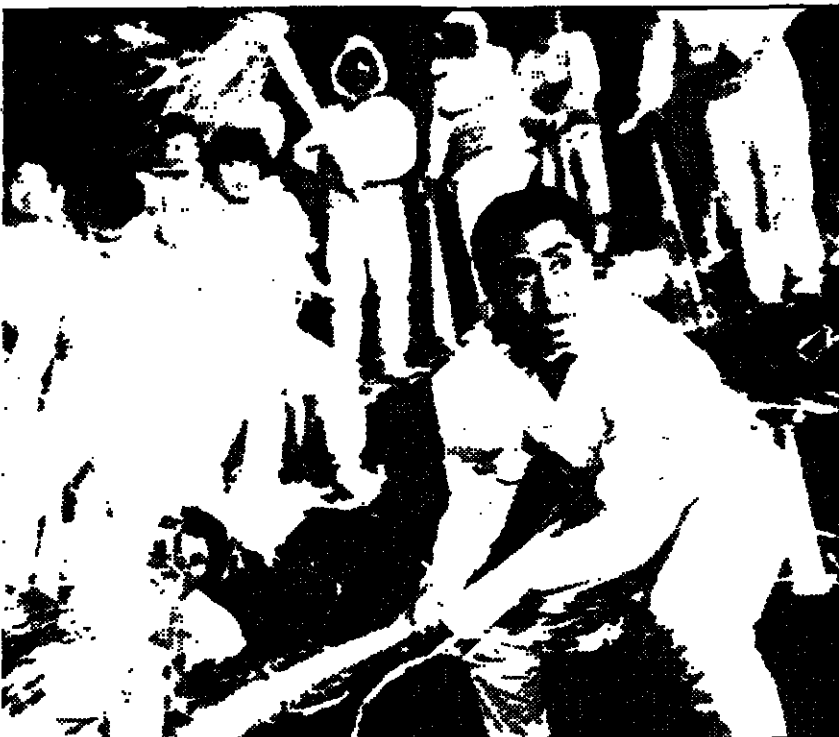
These come in all sizes, shapes and degrees of awareness: sophisticated satires whose subject is social change itself, poetic, quintessentially Japanese dramas in which ancient Shinto and Buddhist beliefs are tested against the demands of the new society; and cheapie, violence-laden exploitation pictures, exemplified by what are called the "be-bop high school" movies, which glamorize the lives of brainless youth on the rampage.

Such exploitation movies, like those in the United States, haven't a thought in their heads. Yet sitting through something called "Crazy Boys" on a Saturday evening in a Ginza theater is like flipping through a catalogue of evolving Japanese behavioral patterns, seen against the high-tech décor of the new Japan.

Except for the work of Akira Kurosawa, Japanese films have never found a consistently wide audience in America. The classics of Kenji Mizoguchi, Yasujiro Ozu and Mikio Naruse are more often honored in museums than in commercial theaters. Of the films of contemporary Japanese directors, only those of the satirist Juzo Itami have received something approximating the kind of commercial release that highly praised French or Italian films receive (and of Mr. Itami's films, only one, "Tampopo," was an unqualified commercial hit).

The question that Japanese movie people most frequently ask the Amer-

ican visitor is why Japanese films aren't more successful in the United States. There's a certain amount of pride in the way they suggest that Japanese films may be — well — "too Japanese," but there is also immense frustration. Why doesn't a world that welcomes Japan's video cassette recorders respond with equal passion to



Mitsuo Yanagimachi's "Fire Festival" has the blunt power of Greek tragedy.

its movies?

There's no easy answer, since the very particularity of Japanese movies is what the small but faithful group of American moviegoers admire most.

Now it seems that the "Japaneseness" of Japanese movies, which is their glory, might also be subjected to the same sort of pressures that have drastically altered everything else in

this country, from the Tokyo skyline to Japanese tourism. (Well-heeled Japanese teen-agers, I'm told, now favor surfing vacations in Bali.)

Other countries have become world leaders over extended intervals of time. Japan's remarkable affluence has been achieved in something less than a decade. Nobody, here or abroad, can be quite sure what this sudden pre-eminence is going to mean in the long run.

Since the Meiji Restoration 120 years ago and the subsequent opening of Japan to outside influences, the Japanese have had their share of cultural shocks, none greater (until now) than the physical devastation

wreaked during the closing days of World War II, followed by military defeat and the Allied occupation. The changes taking place in Japan today are far more pleasant but no less profound and disorienting. It's not easy being immaculately rich. It's as if everyone in the country had won the New York State lottery on the same day.

The resulting uncertainty is the concern common to all of the more serious new Japanese films. However, in "Crazy Boys," which is about the often vicious high jinks of some young men who spend their time escaping from (and being put back into) a minimum security prison, the uncertainty is expressed entirely in what looks to be a style borrowed from Southern California — a big-beat soundtrack score, fast cutting and a narrative that, for all of its sex and violence, is no less sentimental

Mr. Yanagimachi's screenplay takes as its inspiration the bare bones of a true story reported in the newspapers in 1980. An otherwise unremarkable man, living in a small village in southwestern Honshu, murdered the members of his family and then committed suicide for reasons never made clear.

As the director-writer imagines the tale, the man is Tatsuo, a robust lumberman, a decent family man and good-natured, guiltless womanizer who lives in a seaside village about to be developed into a fancy resort. In the course of a series of mysterious epiphanies, in the mountains where he chops trees and at sea where he fishes at night, Tatsuo finds himself in the thrall of the landscape whose gods and demons he has been challenging all his life.

Urged by the members of his family to sell out to the developers of the new resort, Tatsuo calmly selects an alternate course.

Arts & Leisure

than "The Panda Story."

At one point in "Crazy Boys," its swaggering delinquents even go in for marijuana farming, which appears to be a borrowed fantasy since pot is not exactly a common substance of abuse in publicly puritanical Japan, even among the demimonde.

Some people will tell you that the scarcity of drugs is the result of a tacit agreement between the yakuza (gangsters) and the police. That is, the yakuza are given a free hand to exploit various rackets, including prostitution, as long as they keep drugs out. A simpler, more plausible explanation is that there is, as yet, no demand.

Mr. Yanagimachi's "Fire Festival," which I missed when it was shown at the 1985 New York Film Festival, seems to have had as much trouble finding an audience in Japan as it did in the United States.

This eerie, complex film represents the kind of splendid Japanese work that may be in as much need of support and protection these days as its spectacular southern Honshu landscapes. Though environmental protection could be said to be one of the movie's concerns, it is chiefly interested in Japan's animistic heritage that, as Shintoism, has survived from pre-history to the present age of remarkable transitions.

Mr. Yanagimachi's screenplay takes as its inspiration the bare bones of a true story reported in the newspapers in 1980. An otherwise unremarkable man, living in a small village in southwestern Honshu, murdered the members of his family and then committed suicide for reasons never made clear.

As the director-writer imagines the tale, the man is Tatsuo, a robust lumberman, a decent family man and good-natured, guiltless womanizer who lives in a seaside village about to be developed into a fancy resort. In the course of a series of mysterious epiphanies, in the mountains where he chops trees and at sea where he fishes at night, Tatsuo finds himself in the thrall of the landscape whose gods and demons he has been challenging all his life.

Urged by the members of his family to sell out to the developers of the new resort, Tatsuo calmly selects an alternate course.

The title is not great. It suggests a film that is quaintly folkloric, while "Fire Festival" has much of the blunt power of Greek tragedy. Though the landscapes are beautiful, they are not mere scenery. They are the world according to Tatsuo. Tatsuo doesn't fight change. By embracing change in his manner, he affirms his identification with nature.

"Fire Festival" is not a film that could have come from any other culture, in any other time. As with many of the best Japanese films of the past, the foreigner can't possibly comprehend all of the various levels of "Fire Festival" without program notes.

Who wants program notes? I do, at least when the film is of the eccentric richness of "Fire Festival."

The best Japanese films are often acquired tastes. It's not just because

To reach an international market means denying a cultural heritage.

the culture and manners are different. Japanese films don't look like the films from any other country. Japanese directors understand the power of close-ups, which they use sparingly. Medium- and long-shots are favored, requiring the audience to search the images for meanings that close-ups would either overstate or misrepresent in other ways. The pacing is slow compared to American films, compared even to most Japanese dramas one sees on television.

These are some of the very general reasons that Japanese films are not more popular abroad. They also are the reasons that Japanese films, at least some Japanese films, remain singular achievements. There's no easy way to reach an international market without denying a large portion of a magnificent heritage.

It could be that, as a result of the country's ascending position in the world, the rest of the world will eventually come to look at Japanese films with a better informed eye. That is a higher hope.

Critic's Notebook

One U.S. Export That's Thriving in Japan

By VINCENT CANBY

THE OTHER morning two American businessmen, their briefcases at the ready, stood waiting for the elevator in their hotel here. One man was looking out the window toward the hotel tennis courts where several Japanese were taking instruction from the resident pro.

"It's a funny thing," said the first American, "but I didn't see any tennis racquets in Seoul."

"Maybe they haven't learned how to dupe them yet," said the second.

Harmless enough, perhaps, but also expressing something of the new resentment that lurks just beneath the hides of many Americans businessmen who grew up with a paternal feeling toward their Japanese colleagues. Things have changed. With the trade balance now overwhelmingly in favor of the Japanese, it's the American who makes calls hat in hand. Selling American isn't as easy as it used to be.

The spectacular exception is American movies. American automobiles are as rarely seen on the streets of Tokyo as cigarette butts and abandoned chewing gum, but American movies are everywhere. Japan is still the largest market in the world for Hollywood movies outside the United States. Last year they earned \$140 million, a total that could climb as the campaign continues against the sale of pirated video cassettes.

In whatever form they are available, American movies are gobbled up, mostly, by teen-agers. The first morning of Francis Coppola's "Tucker: The Man and His Dream" at the Ginza Nihon Gekijo, they were standing in line even before the box office opened.

When do they go to school?

Idols of the Young

Teen-age preferences are apparent in the art on the front of the theater where "Running on Empty" is playing. It's a huge blowup of the face of River Phoenix, his name spelled out in English, as is the film's title. If there's any mention of Sidney Lumet, the director, or of Christine Lahti and Judd Hirsch, the co-stars, it must be at the bottom in very small type, that is, in the Japanese ideograms called kanji.

Some idols are international. Tom Cruise's appearance here in "Top Gun" started a mini-industry in military arm patches. After "The Color of Money" opened, there was a demand for pool tables.

Michael Jackson jammed four theaters in "Moonwalker" (not to be confused with his Doubleday autobiography, "Moonwalk"). At the Ginza theater where I saw it, the film itself was only slightly more popular with the crowds of kids than the Michael Jackson paraphernalia being sold in the lobby.

The Jackson Story

"Moonwalker," described as "wholly original" in the press book, looks to be an updated anthology of old videos, one of which is titled "Bad," a new, pre-teen version of the "Bad" video done by a cast of 8-to-10-year-olds. The film's climax is Mr. Jackson's "Smooth Criminal" video with a lot of fancy sci-fi footage tacked on. The star plays himself, an androgynous creature from outer space beloved by small children, who don't get a chance to say much except "Michael, Michael!" His nemesis is a Mr. Big (Joe Pesci) who attempts to hook a small, cherubic girl on what looks to be heroin.

That sequence may seem more harmless here, where hard drugs are still relatively unknown, than in the States, where drugs are serious business. The film's opening montage sets the tone for everything that comes after. It recalls Mr. Jackson's career to date, from his humble beginnings as a very different looking little boy to his present pre-eminence. Nothing is sacred in this recap. Everything, even shabby publicity, is recycled.

Jokey headlines recall the star's cosmetic surgery, the shrine he is reported to have built to Elizabeth Taylor in his Hollywood home and his attempts to buy the remains of John Merrick, the Elephant Man. Mixed in with the bio material are shots of Mother Teresa, the Rev. Dr. Martin Luther King Jr., Jimmy Carter, Mohandas K. Gandhi, John F. Kennedy and Lech Walesa, among others. The point is clear: Michael belongs to history as well as to his fans.

The Reading Public

Everybody in Tokyo reads. Though this is the land of the Walkman, I've seen no one with his ears encased by felt-lined, vibrating metal cups in the sometimes crowded but spanking clean subways. Instead they read books, magazines and, in particular, manga comic-strip books that have been much analyzed by off-shore observers.

There are adventure manga for boys. There are a very special kind of romantic-fantasy manga for girls in their early teens. These usually feature pretty, Nordic-looking youths doing battle with dragons and demons to save equally Nordic-looking young women. At the end, however, the heroes often seem more interested in one another than they are in the heroines.

The "salarymen," the mild-mannered white-collar workers one sees reading on the subways, prefer their manga to be filled with violence, including lavishly illustrated stabbings, slashings, shootings and rapes (women do not fare well in this comic strip world). They also enjoy some what tamer sex scenes that are as ex-

plained as possible without being quite hard-core.

In the interest of social research, I visited the Ginza's Jena Bookshop, where, I'd been told, one could find manga that had been translated into English. The saleswoman didn't understand my request. In fact, she seemed never to have heard of manga. A Japanese customer came to my aid. The man, wearing a shirt open at the neck and a tweed jacket, looked and sounded very much like Pat Morita, the star of "The Karate Kid."

He too was baffled. He was not familiar with manga, but translated what I was saying to the saleswoman. She disappeared for a moment and returned with an instructive English-language manga about how to do business in Japan. I again described what I wanted. The Pat Morita-type, became more and more distant.

"You say they are erotic and full of violence?" he said. "And that young girls read them?"

"Well," I said, "as a matter of fact, yes."

He shrugged his shoulders and looked at me with some distaste. He turned away, but not before saying, "I guess I'm beyond that sort of thing."

I bought a Baedeker instead.

A Film World Window

One of the most notable figures of the Japanese film world is not a producer, director, writer or actor. She is Kashiho Kawakita who, with her husband, Nagamasa, opened up Japan to the best of European cinema beginning at the end of the silent era. Their company, Towa, now celebrating its 60th anniversary, helped to educate all of the great Japanese directors who came to prominence in the 1930's and afterward. Among Towa's early, award-winning imports were works by René Clair, G. W. Pabst and Fritz Lang before he went to Hollywood.

In the late 1950's and 1960's Mrs. Kawakita became a familiar figure on the European festival circuit. At Cannes and other festivals she earned an international reputation for her critical judgment, which she frequently allowed to take precedence over her business savvy. She was gracious, funny and, in the politest possible way, blunt. She knew what she liked and why.

She still does. Today, in her 80's, she keeps an office at the Japan Film Library Council, a nonprofit organization set up after the death of her husband a few years ago as the Kawakita Memorial Film Institute. Its purpose is to preserve the heritage of Japanese films and to aid film scholars.

Over tea the other morning, Mrs. Kawakita talked about the state of Japanese film production with characteristic candor. It's not great. She noted the prevalence of teen-age exploitation movies and that the best directors of the 1960's and 1970's are either inactive or working elsewhere. The most interesting director to come on the scene recently: Juzo Itami. Mr. Itami is her ex-son-in-law but, as usual with Mrs. Kawakita, talent is the first consideration.

Celebrity

BY SHERLEY SOLOWAY/Puzzles Edited by Eugene T. Maleska

DOWN	83 Mofso and Mosses	101 Nabokov book	102 "... lovely
1 Song sounds	85 Lallygagged	103 Famed Concord family: 19th century	104 Towel designation
2 Minds	87 Happily	105 Film segment	106 — generis (unique)
3 Clock face	88 Partisan	106 Spring mo.	107 Western
4 Lowdown	89 Shreds	111 Tax org.	108 Interwine
5 Flower parts	90 Minute amount	112 Illusionist	110 Temperate
6 Within the law	91 Summer in St. Tropez	113 Doug	112 The ex-Mrs. Bono's hairdressers?
7 "When I was	92 Snooped	114 Keeps	116 Queen of mystery
8 Sheet of stamps	94 Guided trip	115 Hot spot	119 Ownership document
9 Ocean front	95 Of the ear	117 Bandleader	
10 Emulate a diseuse	100 Jughead	118 Allow	
11 One of the dryads	102 Famed Concord family: 19th century	119 Fought one-on-one	
12 Bigwigs	105 Film segment	120 Suppers, in Sevilla	
13 He wrote "The Name of the Rose"	106 Spring mo.	121 Suppers, in Sevilla	
14 Japan's Feast of —	111 Tax org.	122 Catkin	
15 Guarantee	112 Illusionist	123 Preprandial words	
16 Jack's favorite dessert?	113 Doug	124 Governing body of France	
17 Voyages	114 Keeps	125 Ade medium	
18 Jibe	115 Hot spot	126 Despises	
19 Tall grass	117 Bandleader	127 German reservoir	
20 Cloy	118 Allow	128 Lady of Spain	
21 Foster	119 Fought one-on-one	129 Hackman or Barry	
22 Selze power	120 Suppers, in Sevilla	130 Fourth of HOMES	
23 Actress	121 Suppers, in Sevilla	131 Pinza was one	
24 Charlotte	122 Catkin	132 Residue	
25 Chinese principle	123 Preprandial words		
26 "Blue?"	124 Governing body of France		
27 — Blanc and Ferrer	125 Ade medium		
28 Flooded	126 Despises		
29 Christmas tree	127 German reservoir		
30 Island in the Aegean	128 Lady of Spain		
31 Voodoo	129 Hackman or Barry		
32 Eureka, to a Californian	130 Fourth of HOMES		
33 Designer	131 Pinza was one		
34 Meta	132 Residue		
35 Entire scope			
36 Arrowsmith's first wife			
37 City on the Rhine			
38 River of Flanders			
39 — credit			
40 — de deux			
41 Dudley Moore film			
42 Pitcher			
43 Trial's partner			
44 One feared by xenophobes			
45 Beehive's relative			
46 Celeste m her nest?			
47 Salted, as a noix			
48 Sampler			
49 Coleridge's "gentle thing"			
50 Aug. 31 follower			
51 How penguins behave			
52 Wife of Tyndareus			
53 Embden and Toulouse			
54 Robin Hood's quaff			
55 Accumulate			
56 Herds of whales			
57 Discontented one			
58 Most spooky			
59 Specify			
60 Walter got set for a race?			
61 Wiesel, Nobelist for Peace			
62 Milk curdler			
63 Dot on a map			
64 Highwayman			
65 Nabokov book			
66 "... lovely			
67 Towel designation			
68 — generis (unique)			
69 Western			
70 Interwine			
71 Temperate			
72 The ex-Mrs. Bono's hairdressers?			
73 Queen of mystery			
74 Ownership document			

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Does Race Doom the Democrats?

The dirty little secret of Democratic Presidential politics, according to recent standard analysis, is race. By embracing blacks and the civil rights agenda in the 1960's, the Democrats have lost white support — especially among males, the working class and in the South. Thus, the traditional New Deal Democratic coalition is sundered — as newly demonstrated by George Bush's overwhelming triumph among Southern whites.

Even so, a new coalition across racial lines is not impossible. Race does not doom the Democrats nationally any more than it does them in the state and local races they continue to win with regularity. The first thing to do is define this race question with much more care than the standard analysts have so far. Then, new possibilities can be pursued, with a great deal of hard work and good will.

There are more than 12 million registered black voters in the country, and in the last two Presidential elections, the Democratic candidate has won nine out of 10 of them. The same liberal values that attract blacks attract others as well. Hispanics voted Dukakis, 69 percent to 30. Even so, much of the Democrats' solid black support is in the South — where it is canceled out, state by state, by the strongly Republican white vote. Southern whites were 23 percent of the electorate this year, Southern blacks only 4 percent. Southern whites voted Bush, 67 percent to 32.

Such figures reflect a national trend. Since Lyndon Johnson's landslide in 1964, no Democrat has won more than 40 percent of the white vote. Whites who followed George Wallace in 1964, 1968 and 1972 seem to have settled into the Republican Party.

What are Democrats to do? First, it makes little sense even to think about trading one constituency for another; no political party ever succeeded that way. Then, they can recognize that the dirty little secret isn't as dirty as it looked before the election. The problem isn't as bleak elsewhere as it seems to be in the South. This year, a shift of about

590,000 votes in 11 states would have given Mr. Dukakis an electoral college majority.

He won Iowa, Wisconsin, Minnesota, Oregon and Washington, where black populations are small and race is no issue. But he also won New York, where race is very much an issue, and took both the black and the Jewish votes in the process. Also, Mr. Dukakis fell short by only a percentage point or two in Illinois, Pennsylvania and California. A more inspirational campaign might have brought out enough additional Democratic voters to turn the tide — what the Rev. Jesse Jackson calls "the margin of enthusiasm."

The pluses and minuses of the larger race question are magnified by the prominence of Mr. Jackson. In him, the Democrats possess a truly charismatic figure, one who appeals to many whites, especially younger ones, as well as blacks. But he also turns off many whites, especially older ones and those who suspect him of radicalism, or of anti-Semitism.

If he wishes genuinely to merit consideration as a plausible 1992 standard-bearer, he will have to make himself acceptable to many more whites. And regardless of what Mr. Jackson does, it would be healthy for Democratic leaders to encourage more black voices within the party.

Probably the most important response the Democrats can make to the question of race is the one so handsomely pioneered by a Republican, Governor Tom Kean of New Jersey — a programmatic response. By assiduously practicing what he calls the "politics of inclusion," Mr. Kean did the unheard-of in 1985: He won two-thirds of the black vote for his re-election. The politics of inclusion do not require kowtowing or special programs, just paying attention to where, within the accepted rules of the game, something can be done to benefit a group that needs it.

"Economic common ground," Jesse Jackson calls it, and it's neither dirty nor little nor secret. If the Democrats can find it, they can transcend race and rediscover triumph.

The Clearly Unclear P.L.O.

Why was the response in the West so lukewarm to the Algiers declarations adopted last week by the Palestine Liberation Organization? The P.L.O. did in fact move forward in endorsing U.N. Resolutions 242 and 338, thereby implicitly accepting Israel's right to exist. But this statement and others were surrounded by gamesmanship and murkiness. It took a leap of faith to credit and trust what Yasir Arafat said he was doing.

The P.L.O. knows the difference between obfuscation and clarity.

Look at the dramatic statement made last June by Bassam Abu Sharif, Mr. Arafat's spokesman. [See box.] He stressed what united Palestinians and Israelis — a shared longing for peace and security — because "no one can build his own future on the ruins of another's." The key to peace, he said, lies in direct talks between the two peoples, with neither side dictating who should speak for the other.

He said it was a Palestinian delusion to believe that peace could be achieved by negotiating with non-Israelis, notably the United States. And Israelis deluded themselves in believing peace might be obtained by bypassing Palestinians and dealing with Jordan. The hope, he went on, was for two states living in peace with reasonable measures for mutual security. His statement, though assailed by rejectionist die-hards, was neither disavowed nor endorsed by Mr. Arafat. It floated in limbo, inviting the belief that the spokesman was preparing the way for his leader.

Hence the letdown at Algiers last week, and the confusion among those trying to make sense of the opaque declarations the meeting yielded. The dense text on terrorism appeared to endorse the "armed struggle" within Israel, though that phrase was not used, as initially reported and repeated in our comment earlier this week.

Mr. Abu Sharif told the BBC why he wrote his June statement in English: "When we write to our Arab readers in our Arabic language, which is rich with vocabulary, the meaning and content will be lost. Through the English language we address the Western mind, which we need to support our cause." Does this mean the P.L.O. wants to send

different messages to its different audiences?

Mr. Arafat knows how to decode his points. If he didn't feel able to do so given splits within the P.L.O., Americans and Israelis can be pardoned for laboring over his meaning. Asked at a press confer-

The P.L.O., in Two Voices

The P.L.O. accepts Resolutions 242 and 338. What prevents it from saying so unconditionally is not what is in the resolutions but what is not in them: Neither resolution says anything about the national rights of the Palestinian people, including their democratic right to self-expression and their national right to self-determination. For that reason alone, we have repeatedly said that we accept 242 and 338 in the context of the other U.N. resolutions, which do recognize the national rights of the Palestinian people.

From Times Op-Ed article by Bassam Abu Sharif on June 24

The Palestine National Council affirms the necessity of holding an effective international conference concerning the Middle East issue and its essence, the Palestinian cause, under the auspices of the United Nations and with the participation of the permanent member states of the U.N. Security Council and all the parties to the struggle in the region, including the P.L.O., the sole legitimate representative of the Palestinian people, on an equal footing, and by considering that the international conference will be held on the basis of U.N. Security Council Resolutions 242 and 338 and the assurance of the legitimate national rights of the Palestinian people and, first and foremost, their right to self-determination in application of the principles and provisions of the U.N. charter concerning the right of peoples to self-determination and the inadmissibility of seizing the lands of others by force or military invasion, and in accordance with the resolutions of the U.N. regarding the Palestinian and Arab territories that it has occupied since 1967, including Arab Jerusalem.

From an unofficial U.S. translation of resolution adopted by the Palestine National Council on Nov. 14

ence to confirm whether the statement constituted recognition of Israel, he would not. The P.L.O. knows the words needed to trigger United States action — and hasn't said them yet.

4,478 Signatures

The Times reported recently on a new disposable \$2 fountain pen that writes for 3,000 feet before the non-smudging ink runs dry. How many signatures, the writer wondered, could be written with 3,000 feet of ink? The answer, writes Richard G. Hawn, a good-natured engineer from Erie, Pa., is 4,478, at least if your name is Richard G. Hawn.

Mr. Hawn says his signature, straightened out, measures about eight inches, and he calculates that to hold that many signatures would take 59 sheets, 76 signatures per sheet, at a cost of 3.4 cents per sheet, not counting the paper. That comes out to about 22 signatures per penny. Despite all his care, Mr. Hawn's calculations might be described as penultimate for he omits variables concerning signatures: by whom, and on what.

Abraham Lincoln's autograph now fetches about \$1,000 and Marilyn Monroe's about \$800. Think what 4,478 of those would add up to. One George Bush signature is worth \$30 and one Ronald Reagan's is worth \$35, usually. The one he inscribed Friday on the Anti-Drug Act of 1988 is worth \$500 million. It actually calls for \$1.4 billion a year in spending. But that figure ignores the Federal defi-

Topics of The Times

cit and Congressional spending limits. Any one of Mr. Hawn's 4,478 signatures is more valuable; the hyperbolic \$1.4 billion figure is not worth the paper it's written on.

Pan Goes Underground

The biggest concert hall in New York City is beneath the streets. Down there, beside the subway tracks, violinists saw away at Bach, accordionists squeezed out "Rosemarie" and would-be Springsteens shouted above the roar of the trains. One day last week, two groups of South American Indians were making the loudest sounds this side of the Andes. They were in the squalid Times Square station with big guitars, small guitars, a hip-slung drum, wooden flutes and pipes that might have been Pan's. Their music was Pan's too, wild and sweet and seductive.

In the audience was someone who had, for about the 75th time this year, just given up on New York. It was too crowded, too dirty, too difficult. But, the malcontent reflected, living in a quieter, easier place would mean not hearing Andean musicians on the way to work. She decided to give the city yet another chance.

Letters

Dirty Campaigns — a Hallmark of U.S. History

To the Editor:

Tom Wicker has joined the public chorus in decrying the "guttersniping" that marked the campaign of 1988 (column, Nov. 8). The fact is, however, that when compared with previous Presidential elections, the campaign of '88 was rather gentle.

A few references to the past should suffice to make clear the rapid quality of this year's election. In the campaign of 1828, Andrew Jackson and his supporters attempted to heap opprobrium on John Quincy Adams by publicizing various references ranging from Adams being a Harvard College graduate to his being a procurer of women during his tenure as United States counsel in czarist Russia.

The campaign of 1884 focused on the not too distinguished probity of the two candidates, James G. Blaine and Grover Cleveland. While the Democrats publicized the old Mulligan letters as proof of Blaine's willingness to accept bribe money, the Republicans retaliated by drumming up a new campaign ditty, "Ma, Ma, Where's My Pa?" They wanted the American public to be fully aware of Cleveland's illegitimate child.

Closer to our own day, many of us still remember the "dirty tricks" of the 1972 campaign made famous by the Watergate investigation. In this light, insofar as personal invective is concerned, the campaign of 1988 has been hard-hitting but certainly well within the limits imposed by American political history.

What should be understood is that in Presidential politics, personal attacks and emotional issues count for more than statesmanship and rational discussion of issues. In 1988, neither George Bush nor Michael Dukakis talked in detail about their proposed solutions for the budget deficit or foreign trade imbalance. Instead, they preferred to talk about abortion and flag salute.

The reason for this tendency of American politics to avoid substantive issues is not found in the nature

of the candidates but rather in the structure of America's two-party political system, in which both parties woo the same constituency. In order to minimize potential alienations of voters, candidates avoid or talk around the basic issues. The resulting inability to distinguish the two major parties on basic issues has both advantages and disadvantages. In any case, it is easy to understand why personal invective dominates center stage.

FRED I. LEWIS
Great Neck, L.I., Nov. 9, 1988

Van Buren's Precedent

To the Editor:

In his first news conference as President-elect, George Bush thanked Martin Van Buren — the last incumbent Vice President to be elected President — for "paving the way." This is not the first time Mr. Bush has invoked Van Buren's name. In his autobiography, the Vice President remarks that Shirley MacLaine "thinks I was Martin Van Buren in a former life." Mr. Bush apparently forgot that Van Buren's road was rather rocky and offers an ominous precedent.

After his inauguration in 1837, Van Buren discovered that succeeding a popular President is not easy. Having been confounded by Andrew Jackson for eight years, the opposition pounced on the new President. Jackson's supporters offered little protection, preferring Jackson, a heroic Westerner, to Van Buren, an effete Easterner. Even worse, the inflation and speculation of the Jackson era triggered a depression for which the hapless Van Buren was blamed.

In 1840, Van Buren was swept out of office by William Henry Harrison, a war hero with no substantive political record. Although Van Buren had dominated New York State politics for decades and helped craft the two-party system as we know it, history has remembered him as a failure. Surely George Bush learned about more inspirational historical exam-

ples when he studied history at that little college of his down in New Haven.

GIL TROY
Cambridge, Mass., Nov. 11, 1988
The writer lectures in history and literature at Harvard University.

Eulogy for Integrity

To the Editor:

In "Ideology, Competence and Mr. Bush" (editorial, Nov. 10) you use the terms "competent," "shrewd" and "tenacious" to describe Mr. Bush's campaign. The term "effective strategy" has also been used. It would seem that these terms have become synonymous with any strategy that works to get one elected — morality and ethics notwithstanding. This includes smear tactics, misrepresentations, distortions and misstatements.

Mr. Dukakis, on the other hand, has been repeatedly chastised for his lack of "aggression." In fact, Mr. Dukakis's greatest "error" was that he thought — apparently mistakenly — that the American people were ready for a campaign that rose above that type of negative aggression. This "error" cost Mr. Dukakis the Presidency, and may prove to be a loss to the American people. However, I am glad that Mr. Dukakis made every attempt not to pander to the smear tactics of the Republicans, and to maintain as best he could his honesty and integrity. It is sad — and dangerous — that American politics has become based on image and "effective strategy," and not on substance and integrity.

IAN ALTERMAN
New York, Nov. 10, 1988

A 54 Percent Landslide?

To the Editor:

Have I been misled my entire life as to the true meaning of "landslide"? Around Presidential election time this word seems to take on a radically different definition. Why do the media and the winning candidate insist upon terming an election such as our last one "a landslide"? Even using terminology such as "strong support" seems quite irresponsible in light of the fact that 46 percent of voting Americans voiced their opinion against the winner. What isn't a landslide? 53 to 47? 52 to 48?

One might argue that George Bush's (and Ronald Reagan's) landslide was an electoral landslide. Certainly this is true for those who prefer fast-food analyses that consist only of numbers and no references to what they mean. If a candidate wins the electoral votes in every state, but only wins each individual state by 51 to 49, is that a landslide? Is this very far from reality? The majority of state races in this election were just as close as the nation's popular vote.

The Electoral College was designed for two main purposes. The first was to protect the electoral process from the ignorance of the masses. Of course, the Electoral College has no effect here since almost every elector votes for the candidate he or she represents. The second purpose was to allow individual states to possess their own bloc of voting power. Again, this does not work in practice because almost all voters hold to the party line, and ratios of Republicans to Democrats are too even in most states. The states' rights philosophy may be justifiable as insurance. However, the electoral voting tally usually bears a dubious correlation with a candidate's victory.

Actually, instead of being a constructive element in the voting process, the Electoral College is predominantly a destructive force. It encourages candidates to engage in the kind of regional mud-slinging that occurred this year — even though it is doubtful that this type of strategy is effective. The Electoral College is most destructive, though, in permitting Mr. Bush to claim a mandate when, in fact, his mandate stems only from the phenomenon of party-line behavior and a bewildered voting population.

JEFFREY ELDRIDGE
Hoboken, N.J., Nov. 15, 1988



ginia dressed in simple clothes, even while addressing the United Nations. All this did no harm to the fashion industry. HENRY GELLERMANN
New York, Nov. 1, 1988

Other First Ladies Were First in Their Fashion

To the Editor:

The supportive comments by Robert Keith Gray (letter, Oct. 30) about the First Lady's clothing requirements is an elegant defense of the garment industry, but has little to do with historical facts.

There have been many first ladies in the White House before Nancy Reagan who lived up to their obligation for public appearances.

Jacqueline Kennedy, Bess Truman, Mamie Eisenhower, Lady Bird Johnson, Rosalynn Carter, Betty Ford — none of them "borrowed" innumerable dresses over their years in the White House. They too dutifully attended the many and frequent government functions, diplomatic receptions, White House dinners, entertainments and charitable events.

The best case is Eleanor Roosevelt, who met more world leaders, traveled constantly, visited with delegations, and from a visit to Buckingham Palace to the coal pits of West Vir-

China's Urbanization Is Bureaucratic Fantasy

To the Editor:

In your Nov. 2 news story on China's admission that it has eased restrictions on new births, the head of the United Nations Fund for Population Activities in Beijing is quoted as calling China's recent urbanization rate "fantastic."

It appears that the urban population has jumped from 21 percent to 43 percent of the total population in only five years, an accomplishment this official calls "something unheard of." He suggests that "such a demographic shift might be a major factor in controlling population growth."

But China's breakneck urbanization rate is indeed largely fantasy, as its own statistical yearbooks are careful to point out. The official

criteria for the formation of towns were changed back in 1984. Under the new rules, for instance, areas with fewer than 20,000 residents of whom 2,000 are nonagricultural can be declared "towns" if they are seats of township governments.

Even areas with fewer nonfarmers can be designated towns if they are in national minority regions, sparsely populated outlying districts, mountainous regions, small industrial and mining regions, etc.

Thus, by a stroke of the pen many rural villages otherwise unchanged have transformed themselves into "towns" since 1984. CARL RISKIN
New York, Nov. 2, 1988

The writer is adjunct professor, East Asian Institute, Columbia University.

Who Is H-Bomb's Real Father? A Paternity Test

To the Editor:

When Edward Teller, the American nuclear physicist, and Andrei Sakharov, the Russian physicist, met at last week's gathering of the Ethics and Public Policy Center in Washington, it was surprising that there was no explosion of megaton proportions. The cause would have been this business of who is father of the Hydrogen Bomb. There are not two fathers of the bomb itself, as the world knows.

The United States series of Greenhouse tests provided an opportunity to see if fusion could take place. The "Mike" shot was scheduled for the fall of 1952. This device was a monster, as Bernard J. O'Keefe, who was there, reports in his 1983 book "Nuclear Hostages." It weighed 65 tons and was surrounded with cryogenic equipment and instrumentation that used up every square inch of the tiny island in the Bikini chain. It produced a thermonuclear shot with a yield of 10.4 megatons, but it was not a bomb. It was not transportable. It was nothing more than a massive test device.

It was not until the Bravo shot during the Bikini test series that began on March 1, 1954, that a true American-built hydrogen bomb was detonated.

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Andrei Sakharov's breakthrough in 1950 led to the first thermonuclear experiment. Then the Soviets exploded the first deliverable hydrogen bomb on Aug. 12, 1953. This was a good six months before the American Bravo shot.

An understanding of these facts may turn out to be most important considering the circumstances of the Sakharov visit itself. It can serve no good purpose to create unnecessary problems during his visit. He has already paid the price of his visit in his homeland. Let's not make it contentious over petty reasons. The world knows the first hydrogen bomb was Sakharov's. Dr. Teller himself can confirm that, as can those others who took part in the Greenhouse and Bikini tests.

L. FLETCHER PROUTY
Alexandria, Va., Nov. 17, 1988
The writer, a retired Air Force colonel, was Chief of Special Operations for the Joint Chiefs of Staff.



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History Will Not Judge The A.C.L.U.'s Worth

To the Editor:

Asserting that "history will judge," Norman Dorsen contests Irving Kristol's mild criticism that some views of the American Civil Liberties Union are bizarre (letter, Nov. 10). The response is woefully inadequate. History determines only what will survive, not what is true or right. To deny this is to believe that "world history is the court of world judgment" (Hegel) — a brutal and immoral doctrine. Not every lost cause is a wrong cause and not everything that triumphs or survives is good.

Truth is a matter of evidence. The evidence is overwhelming that the A.C.L.U. has been much more concerned with defending the rights of criminals and those accused of crime than the rights of its victims. Every person is potentially a lawbreaker and a potential victim of crime. Genuine concern for civil liberties requires a concern for both.

We do not need to wait for history to know that it is positively bizarre in a time of mass and mounting crime to be less concerned with the rights of victims of crime than the rights of criminals. Such a time is now. As you pointed out editorially on Nov. 10, "one of every five voters put crime at the top of the issues list, three times the number who cited U.S.-Soviet relations."

Senior Fellow, Hoover Institution on War Revolution and Peace
Stanford, Calif., Nov. 10, 1988

For the Mideast, A 'False Dawn'

By Leon Wieseltier

The relief is great in the Jewish world. The Palestinians have given Israel still another gift of ambiguity. The Palestine National Council, which for years rejected United Nations Security Council Resolution 242 because of its merely implicit recognition of the Palestinian problem, accepted 242, with its merely implicit recognition of Israel. The council's own resolution was laced with more explicit forms of meanness, too. Israel was accused of "fascist military organized terrorism," of "colonialism," of "racial discrimination." (Jews are rather keenly repelled by some of those epithets.)

The Palestine National Council, meeting in Algiers, condemned terror, but it did not condemn violence.

Not in Algiers, but next time?

The "rejection of terrorism in all its forms" was accompanied by a resolve "to reinforce and develop" what were called "attack groups and the popular army" in the West Bank and Gaza. The popular army? Surely the victims of Israeli troops are innocent civilians.

And yet too many Israeli and American Jewish leaders seemed too delighted with the Palestine Liberation Organization's failure to formulate a nationalism without radicalism.

Algiers rescued them again from a reckoning with the perfectly plain fact that there will be no negotiation with Palestinians that is not in some way a negotiation with the P.L.O., because of the P.L.O.'s pride of place in the collective consciousness of the Palestinians.

The diabolization of the P.L.O. — Benjamin Netanyahu, Israel's former Ambassador to the United Nations, recently remarked that "in the case of the P.L.O. we're facing little Hitler" — is a form of political procrastination.

Leon Wieseltier is literary editor of The New Republic.

It is a way of hiding Israel's reluctance to talk with the P.L.O. behind the P.L.O.'s reluctance to talk with Israel: as if the Israelis, not the Palestinians, will decide who speaks for the Palestinians; as if Israel has not killed more innocent victims in its reprisals for Palestinian acts of terror than Palestinians have killed in acts of terror; as if Jews have never before negotiated with killers of Jews. (Vladimir Jabotinsky, the founder of Revisionist Zionism and the idol of the Likud, completed an agreement with the Ukrainian nationalist who was responsible for the bloodiest pogroms of the 20th century.)

Algiers was a false dawn, but it was not a trick and not a terrorists' ball. It did reveal a movement in development. The murmurs of reason with which Yasir Arafat used to tease reporters and columnists have now been made a part, if not the whole, of Palestinian policy.

By a vote of 253 to 46, the Palestine National Council set out in a direction of moderation. The Palestinians voted overwhelmingly for what they believe is a new Palestinian persuasion; what they believe about what they do is a matter of consequence.

The declaration of an independent state on the West Bank and Gaza represented an act of will more than a will to act, but the Palestine National Council was perfectly clear about the "confederal bases" of that state's eventual relationship to Jordan, and praised "the fraternal relationship" between Palestinians and Jordanians.

The Palestinians, who used to behave like a people with nothing to lose, are now behaving, more and more, like a people with something to lose. That may mark the beginning of politics.

The really crushing disappointment was the council's idea of its interlocutor. The Palestinian acceptance of Resolution 242 was addressed not to Jerusalem but to Washington. The logic of Algiers was: I will recognize the other so that you will fight him. "The ball is now in the American court," was Yasir Arafat's oddly American comment.

The Palestine Liberation Organization's mystical belief in the power of the United States to make Israeli policy is unworthy of such a proud enemy of imperialism.

Anyway, the occupied territories are occupied by Israel, not by the United States. It is Israel that the P.L.O. must address. Until the P.L.O. says, I recognize you, rather than, I recognize them, it will itself be part of the reason for the abjection of its people.



From a Pretoria Jail, A Plea to Blacks

This article is adapted from notes written in prison. The author, Mosiuoa Lekota, is publicity secretary of the United Democratic Front, a coalition that advocates a democratic, nonracial South Africa. Convicted of treason on Friday, he is awaiting sentencing.

By Mosiuoa Lekota

I reject the approach of those of our countrymen who would refuse white South Africans the right to join in the national effort to eliminate oppression.

It seems to suggest that whites must be rejected for being white. It fails to realize that racism knows no racial bounds and that just as the ruling National Party taught racism on its upward momentum, so, too, can our own black organizations turn into racist monsters of the future.

The struggle against racism must not and should not longer be looked at from the side of black people alone. It must be looked at, and fought, from both sides of the color line. That does not mean that the present set of circumstances should be ignored. A necessary balance must be struck to give sufficient leverage to those who fight the immediate evil of white racism.

But those of us who shoulder the burden of struggle should not be swung around completely. We should not move over to the extreme of employing practices that may prove disastrous on the dawn of a new day.

It is my genuine desire that when freedom day comes, it should not find reconciliation too far to attain. This immediately raises the question of the methods of struggle. The more jarring and shattering the methods,

Don't hate whites.

the deeper the alienation of our people and, consequently, the more difficult the process of healing the wounds and reconciling the people.

Nonracialism as a method embodies the process of pulling blacks and whites together so that they jointly dismantle apartheid. In the process, artificial suspicions, nurtured by years of apartheid myths and propaganda, are demolished.

And when freedom comes, it will not be the victory of blacks over whites but that of the people of South Africa over an evil system that has for so long set them against one another. The nonviolent path is the one that creates the greatest possibility of bringing blacks and white South Africans together.

Black consciousness is a demand for the recognition of the humanity of blacks. It is not a demand for the denial of the humanity of whites. What it says is this: that in a world in which the humanity of whites is already acknowledged and even exaggerated to the level of an icon, blacks' humanity must also be rediscovered and raised to acceptable levels. The worship of whiteness must be done away with. In this way, an acceptable parity will be established.

There are two forms of black consciousness. For those who understand it as a simple demand for the recognition of black humanity, and to hell with the humanity of whites, practice will assume one form. For those of us who seek the humanization of blacks while preserving that of our white counterparts, practice will assume yet another form — education and training in co-existence and mutual respect.

Those who doubt the correctness of our approach will do well to take a close look at the history of the ruling National Party. For three or four decades, it harangued their own people about "separate but equal." Today, as it tries to advance in the face of hard political and economic realities, it is caught up in the cobwebs and

ABROAD AT HOME | Anthony Lewis

The First Steps

The Palestine National Council meeting in Algiers last week could be the beginning of a new phase — a diplomatic-political phase — in the Middle East conflict. That potential arises from these factors:

1. The Council resolution, though it fell short of the necessary clear recognition of Israel, took significant steps toward a realistic negotiating posture.

2. Yasir Arafat, the P.L.O. chairman, emerged in a strong personal position, able to clarify and advance the P.L.O. stand if he seizes the opportunity.

3. The United States called the resolution inadequate but encouraged further steps by speaking of "positive elements." The implied undertaking was that the U.S. would begin a dialogue with the P.L.O. if those steps are taken.

The Algiers meeting was more open and publicized than any previous Palestinian session. Decisions were by majority vote, instead of by the crippling rule of consensus, and the losers did not walk out. The press was there in large numbers, interviewing delegates of sharply differing views.

The publicity in fact raised outside expectations too high. It created the impression that the Council would unambiguously recognize Israel. In the event, its statement was a patchwork of phrases more and less murky. Nevertheless, American specialists on the Middle East saw meaningful signals in it:

• The P.N.C. statement spoke of United Nations Resolution 242 as a basis for negotiation. Resolution 242 calls on Israel to withdraw from occupied territory to "secure and recognized" boundaries — which means recognition.

• The statement did not forswear terrorism in all circumstances, but it avoided such phrases as "armed struggle" and gave overwhelming emphasis to negotiation. It called for a "peaceful solution of the Arab-Israeli conflict" and for "arrangements of security and peace for all the states of the region."

• In taking the symbolic step of declaring an independent Palestinian state in the occupied territories, the P.N.C. reiterated its desire for a confederation with Jordan.

• The declaration of independence relied on the 1947 U.N. resolution partitioning Palestine. That was a big change, since the Palestinian Covenant explicitly rejected the partition resolution and the Jewish state it

created. The Covenant was scarcely mentioned at this P.N.C. meeting.

Skeptics — and there are many — will say that all the talk of peace is sugar coating, that the P.L.O. is really determined to destroy Israel. The test of that has to be a practical one: Will Chairman Arafat use his mandate to take the further necessary steps for negotiation, and will a negotiation produce reliable guarantees of security for Israel?

A crucial indication of Palestinian intentions is the feelings of a key group of Mr. Arafat's constituents: the Palestinians living under Israeli occupation. The people of the West Bank and Gaza have made clear in the last year that most of them favor a political solution.

For a leader like Mr. Arafat to be more forthcoming in what he offers usually requires his believing that the other side will reciprocate. Before President Sadat of Egypt went to Jerusalem in 1977, he had been privately advised that in exchange for peace Israel would return all or almost all of the Sinai.

There will be no hints of reciprocity from the present Government of Israel. Prime Minister Shamir has said repeatedly that he will not give up an inch of the occupied territories. His reaction to the P.N.C. meeting last week was to press of moderation.

If there is going to be an incentive to keep moving the P.L.O. down the path to negotiation, then, it has to come from the United States. Washington's cautious reaction last week, calling the P.N.C. meeting "encouraging" but not enough, was a start. More can follow.

The United States should make explicit what is now implicit: that we are ready for serious talk with the P.L.O. if it unambiguously accepts Israel as a permanent reality and rejects terrorism. We should reiterate that we are for negotiations on the basis of 242, trading land for peace. And we should repeat what Secretary of State Shultz has said: that the Palestinian claim to statehood is something to be brought up in negotiations.

The danger of the Israeli-Palestinian conflict will make its settlement a high priority for the Bush administration. There is no way to settle it without talking to the Palestinians. And anyone who opens his eyes to reality knows by now that that means talking to the P.L.O.

FOREIGN AFFAIRS | Flora Lewis

Dregs of the Oil Crisis

Even the winners have lost. Fifteen years after the explosion of oil prices in 1973, the price of petroleum in real terms is not a lot higher than it was just before.

But the damage wreaked is far from over. Several countries which thought they had, by divine indulgence, become rich forever are still suffering from the binge. Others are falling ever more hopelessly into debt.

Piecemeal efforts have been made to patch the system enough to keep goods and services flowing, but there is still no overall scheme for a reasonably expanding balance to meet the world's needs. Bumbling through has been possible because those responsible did learn something from the Depression about the wages of economic war.

The lesson remaining to be learned is that abrupt upheaval with attempts to establish a "new world economic order" winds up hurting all. There is no longer any substitute for deliberate cooperation among the world's nations, in economic as well as in security, political and environmental affairs.

Helmut Schmidt, the former West German chancellor, started African officials meeting in Nigeria recently when he said never again could they expect the torrents of capital that poured out of the industrial world in the 1970's. They were created by the sudden shift in terms of trade, flooding oil producers with money turned over to Western banks for investment, wasted, or to a lesser extent used for their own development.

That in turn produced the vast third-world debt crisis, which also afflicts some oil producers now, Mexico and Nigeria among them. Top Nigerian economic officials say ruefully that, after all, their country would have been better off if they had never struck it so rich on oil.

"It is like the man who wins a lottery and builds a castle," said one. "He can't maintain it, and then has to borrow or move out." Expectations destroy prudence, too-easy money promotes profligacy and corruption, and there is no chance to win again.

What remains is "structural readjustment," the most ominous phrase in the third world now. It is International Monetary Fund jargon for the imposed austerity that is undermining the fabric of third world societies as they try to recover and reorganize production. Brazil's fragile democracy is an example of the strain that may be turning into too much to bear.

The collapse of commodity prices as a consequence of the industrial world's painful efforts to deal with inflation and then recession after the oil crisis will probably never be turned around. Trade patterns have been changed. New materials have been developed. The third industrial revolution has cut dependence on the traditional raw materials that provided livelihood and hopes for development in the nonindustrial world.

The lucky ones have been the "newly industrialized countries," which were able to make the best of cheap labor, determined management, with no illusions of either massive aid or sudden unearned wealth while markets were wide open and consumer appetites inflated. Those coming later aren't likely to find the same advantageous conditions.

The U.S. imagines it has got over the hump, but it is living on borrowed money. Western Europe knows it has not yet succeeded. Its biggest problem remains unemployment, a chronic average of about 10 percent which masks much higher figures in some countries, notably Spain. Decline of some industries was inevitable, but the rate that made it so hard to absorb was aggravated by the oil crisis.

The country most devastated was the one most eager to raise and raise and raise the golden stream — Iran. Other factors contributed, but it was above all the frenzy brought by so much oil money that provoked the Iranian revolution. That led to the Iran-Iraq war and the ruin of both countries.

Partly because of the distortions in both rich and poor countries, partly as well because the idea was never acceptable to most people, the proposal of zero growth as a way to make the world cleaner and happier was soon dumped. The Club of Rome had some points, but not the right ones.

Now the effort has to be for a new balance, but one more accommodating to the diversity of needs. New frictions are accumulating between knowledge that neglect of the environment is by no means benign and urgent yearning for continuation of the growth stimulated by petrodollars and then stunted. Energy is a key factor. Extensive studies are needed on economic costs that must be included in development plans to assure environmental protection.

As the world moves on into a surprising new period, the notion of security must include economic relations.

No substitute for economic cooperation.



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Economic Scene

Leonard Silk

Bush's Efforts To Calm Markets

PRESIDENT-ELECT BUSH has tried this week to quell the anxieties in the stock, bond and foreign-exchange markets. But the markets have remained disconsolate and have refused to let him enjoy his Florida vacation.

As the dollar slid and stocks and bonds fell, Mr. Bush emerged from the waves to tell reporters that his administration would continue to pursue "policy coordination and exchange-rate stability."

Mr. Bush also sought to reassure the markets by naming Treasury Secretary Nicholas F. Brady, who came from Wall Street and headed the study of last October's stock market crash, as his own Treasury Secretary. The choice was regarded as further proof that the Bush administration would be "pragmatic."



liant Mr. Darman is whether he is too aggressive and abrasive to reach compromise deals with the Democratic majority in the House and Senate.

The job as chairman of President Bush's Council of Economic Advisers is likely to go to Prof. Michael J. Boskin of Stanford University, who served as economic adviser to Mr. Bush during the campaign. He is regarded by his fellow economists, both Democratic and Republican, as competent and pragmatic, a man after Mr. Bush's own heart.

With this sort of pragmatic economic team shaping up, why are the markets so jittery? Don't they like pragmatism? Are they worried that pragmatism may be a useful tool for dealing with short-term problems, and better than ideological rigidity, but an approach that gives little assurance of the will and vision to pursue the long-term, and politically difficult, course needed to solve the nation's fundamental economic problems?

It was, after all, the failure of some of the same players to follow such a course that produced the nation's chronic budget and trade problems during the last eight years.

Can the four pragmatic B's — Bush, Baker, Brady and Boskin — possibly augmented by the big D, Darman, now prove that they can choose and stick to a tough and painful budgetary course? An early test will come with the budget for the fis-

cal year 1990, which is to be submitted by the Reagan Administration in January and amended by Mr. Bush in March. Under Gramm-Rudman, the deficit is supposed to come down to \$100 billion in 1990, which will require cuts or tax increases of \$40 billion to \$50 billion.

This week the markets were worrying not only about Mr. Bush's budgetary policy, and how he will escape from his no-tax-increase pledge, but also about monetary policy, with fears that the economy is heating up. After the sluggish third quarter, dragged down by the effects of the drought, the economy now seems to be bouncing back, raising fears of inflation, tighter money and rising interest rates again.

Steven Axilrod, the vice chairman of Nikko Securities in America and the former chief economic adviser to the Federal Reserve chairman, Paul A. Volcker, believes that the inflation rate could readily move up to a range of 5 to 6 percent next year from its current range of 4 to 5 percent.

With the economy at or close to full employment, the Fed under the conservative Alan Greenspan is likely to adopt a more restrictive monetary policy, to head off higher inflation and defend the dollar, as President-elect Bush insists will be done. That means higher interest rates. And that is what is spooking the stock and bond markets.

The prospect of higher rates also raises recession anxieties and heightens concern about the fragile United States and international debt structure. Higher rates would not only pose new threats to the heavily indebted less-developed countries but also to the American banks that hold their paper, to the troubled savings and loan institutions in the United States, and to the increasing number of highly leveraged corporations.

Given this enormous and shaky pile of debt, the Federal Reserve will try to steer a course between the Scylla of inflation and the Charybdis of recession. The Fed's chances of getting through without putting the economy on the rocks would be greatly improved if the Bush-Baker administration produces a tough and credible fiscal policy, which would give the central bank the means of holding interest rates down and avoiding damage to the markets and the economy.

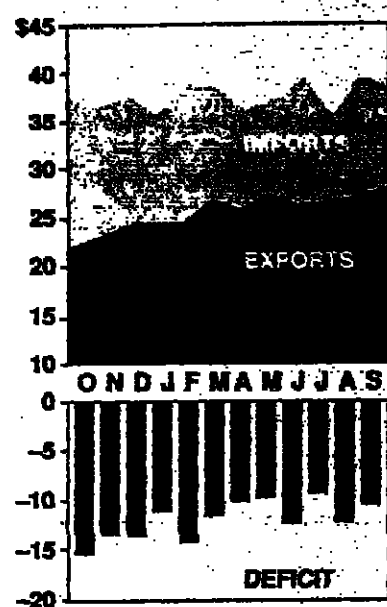
The Economy

WEEK IN BUSINESS

An Export Surge Brings Few Cheers

The trade deficit shrank by \$1.8 billion in September, to \$10.5 billion. Exports rose sharply, to a record \$28.2 billion, while imports fell. The result was welcome, but the surge in exports caused new worries that the American economy is growing fast enough to make inflation a problem. That conviction was supported by reports that retail sales gained nine-tenths of a percent in October, the strongest increase in seven months; that housing construction rose 7.2 percent in October, its biggest jump in eight months, and that industrial production advanced four-tenths of a percent in October. Industry was using 84 percent of its capacity in October, the most in nearly nine years and a figure close to the 85 percent level that is considered an inflation warning sign. The one contrary set of figures was the seven-tenths of 1 percent increase in business inventories in September, while business sales remained flat. But analysts said the first reports from October showed that sales were again picking up.

Balance of Trade



Deficit is the excess of imports over exports. Amounts in billions of dollars, seasonally adjusted.

Source: Commerce Department

Nicholas F. Brady will remain Treasury Secretary, President-elect Bush announced in one of his efforts to reassure financial markets. Mr. Bush stressed that economic issues, especially the budget and trade deficits, were a top priority. Still, pressures continued to build for some definite signs of what the Administration plans. The most forceful talk came from Alan Greenspan, chairman of the Federal Reserve. He said the economy faces trouble soon if something is not done about the budget deficit. He urged that Congress cut spending, raise taxes, or do both, but above all, do something.

Holly Farms struck a deal to be taken over by Conagra for \$957 million. Holly, the nation's second-largest chicken producer, has been opposing a \$977 million takeover bid from Tyson Foods, the No. 1 chicken producer. Tyson will lose that ranking if Holly combines with Conagra, the No. 2 chicken-processing company.

The dollar stabilized, but it took forceful buying by 11 central banks, including the Federal Reserve, to halt the slide. Before the intervention, the dollar had fallen to a 40-year low of 121.52 yen. Many in the markets were still saying that the underlying sentiment continued to be for a lower dollar. They noted that the dollar's drop continued even after the announcement of the improvement in the trade deficit, which would ordinarily have bolstered the dollar.

Japan set market records. The 40-year low for the dollar was a 40-year high for the yen, and that record came on the same day that the Tokyo stock market's Nikkei average first closed above 29,000. The Japanese market has surged significantly past the levels it reached before the worldwide market collapse in October 1987. Most other markets remain well below their pre-crash levels.

American markets were depressed by the dollar's gyrations. After the dollar stabilized, the Dow Jones industrial average recovered enough to hold its loss for the week to 4.62 points

and close at 2,062.41. Bond prices fell. After months of delay the Treasury auctioned a 30-year bond and it yielded 9.10 percent. Short-term rates were at three-year highs, with three-month bills above 7.9 percent.

RJR Nabisco's bidding deadline passed. A special committee of directors will study the offers and is expected to make a recommendation early this week. Bids were expected, and received, from the group led by F. Ross Johnson, the company's chief, and from Kohlberg, Kravis, Roberts. A group led by the Forstmann Little investment firm said it would not take part in the largest-ever corporate auction. The battle has left RJR Nabisco with some unhappy bondholders, who have seen their bonds' prices plummet because of the heavy new debt load that such a deal would involve. Two big bondholders, Metropolitan Life and some units of ITT, sued RJR Nabisco, contending that management tried to enrich itself at the expense of bondholders.

Air fares are heading up. Continental is raising its cheapest fares, known as Maxsavers. The lowest one-way fare from Newark to Los Angeles, for example, will rise to \$179, from \$159. The increase is set for early this week on about two-thirds of Continental routes, mostly its longer flights. Fares will be lowered on the remainder of flights. Other carriers are expected to match the Continental move. Continental is also proceeding with a plan to eliminate a three-to-seven-day advance-purchase discount that had been saving some business travelers as much as 35 percent.

A takeover bid for Plessey, the British electronics company, was begun by General Electric of Britain and Siemens of West Germany. Plessey rejected the \$3 billion offer.

Market Place

Floyd Norris

Offering Is a Test For Hong Kong

WHEN the bulls were running in the months preceding last year's crash, none were more boisterous than in Hong Kong. And when the crash came, no market lost more credibility. Now, the extent to which it has regained its standing will be tested as shares in a major Hong Kong company are offered around the world.

The offering, in Hong Kong Telecommunications, the colony's telephone company, is expected to be made early next month, seeking to raise more than \$500 million. The size of the planned offering had to be cut back, however, and the share price has declined since it was announced.

Hong Kong's reputation as a major financial center was damaged when its stock and futures exchanges closed down from Oct. 20 to 23, 1987, in the aftermath of the crash. Only a Government bailout allowed the futures market to reopen, and its survival is still not assured. Both share prices and volume are a fraction of what they were, and the men who ran the Hong Kong Stock Exchange in the heady days of the bull market are facing criminal charges of corruption.

On top of all that come the uncertainties associated with Hong Kong's changing status. In 1997, the British lease on the colony expires and it will come under a form of Chinese Government control. Beijing has promised that Hong Kong will be allowed to continue as a major financial center, with capitalism assured through at least the year 2047, but there are those who doubt such promises can really bind a future Chinese Government.

The offering in Hong Kong Telecommunications is being made by its British parent, Cable and

Wireless P.L.C., and by the Hong Kong Government. If the offer succeeds, as expected, it will be an indication that investors are willing to accept promises from Beijing.

Hong Kong Telecommunications is both the largest company on the Hong Kong Stock Exchange and one that has no way to hedge its bets on the future of the colony, where its assets and its prospects are firmly placed. It has been growing rapidly, largely due to surges in the volume of international facsimile service and to the rapidly growing volume of telephone traffic between Hong Kong and the mainland.

The price of the shares reflects those growth prospects. In Hong Kong, the shares are selling at about 6.6 times book value, and at 15.8 times the company's estimate for earnings in the current year. The dividend yield is estimated at slightly more than 4 percent. By conventional American standards, those are hefty premiums for a telephone company. Investors will have to decide whether they can depend on the growth's continuing.

In one sense, the very offering represents a dramatic turnaround for Hong Kong, whose reputation was hurt both by the closing and by subsequent accusations that the exchange's top officials had demanded and received what amounted to bribes in return for listing shares during the bull market. Those charges are pending.

Historically, the Government kept its hands off the stock exchange, but since the crash it has taken a much more active role. "We unashamedly held a gun to their heads," said David A.C. Nendick, the

The big sale of shares in the colony's telephone company will show how well the stock exchange there has rebounded since the crash.

Hong Kong Government's secretary for monetary affairs, in describing the Government's efforts to get former stock exchange officials to resign. He said changes, including a new regulatory plan and new leadership for the exchange, had assured a market that would not have similar problems in the future.

Negotiations on the future of the Hong Kong Futures Exchange, where huge sums were lost on stock index futures contracts and which would have failed but for bailouts from the Government and major banks and brokerage firms, are continuing. Mr. Nendick, in an interview, said he was confident the exchange would accept a plan for reorganization by next October.

"If the market will not carry forward the changes, it will close," he said. "We don't see a futures market as absolutely essential." If it does continue, an interest rate futures contract is expected to be introduced.

Almost a quarter of the Hong Kong Telecommunications shares being offered are expected to be sold in this country, in the form of American depository shares, by underwriters led by Prudential-Bache. The Government and Cable and Wireless are each selling about 3.5 percent of the stock, raising the public ownership of the company to about 16 percent. They had hoped to sell 4 percent more but backed off due to market conditions. The company's total market value is about \$7 billion.

Despite the scaling back of the offering, the publicly held shares have come under some pressure in Hong Kong since the plans were announced last week. The indicated value of an American depository share, equivalent to 30 ordinary shares, has fallen from \$20.36 to \$19.62 at yesterday's closing price, 26 percent below the company's peak price of \$26.59 in August. Hong Kong's currency is tied to the United States dollar at a fixed exchange rate, so there is little currency risk in the deal.

INVESTING/Anise C. Wallace

What to Do When a Company Is in Play

WHILE the potential rewards of investing in the stocks and high-yield bonds of companies involved in giant takeovers might seem great, small investors should also take into account that the risks can be great as well.

Because the current deals have been so large and complex, those investors with neither a lot of time nor financial skills are better off not playing the stocks. "There is no way that an individual's information is as good as a professional's," said Ernest G. Wiggins, portfolio manager of the Fidelity Value Fund, who tries to buy stocks of companies that sell at discounts to their breakup value. "That's the kind of thing paid professionals can do a lot better."

If individuals do not already own the stock of a company that becomes an acquisition target, money managers suggest that they avoid investing in it after the announcement of a bid. By that time, at least three-quarters of the stock's potential move has occurred and the potential risks outweigh the likely profits, they say.

Among the risks: the proposed deal could sour, banks could decide to pull back from leveraged buyout lending, interest rates could rise and make the financing of the deal too expensive, or the stock market could drop.

Professional investors suggest that individuals who own stock in a company that becomes a takeover target should not wait for the highest offer.

If an investor finds that the management of a corporation or one of the billion-dollar leveraged buyout funds is proposing to take over a company in which he or she holds stock, portfolio managers suggest that certain guidelines be followed. Investors should wait at least 24 hours to see where the stock settles, they say. The stock of the target company will generally climb immediately, approaching the offering price.

The price the stock reaches within 24 to 48 hours after the announcement indicates how the risk arbitrage community on Wall Street judges the proposed deal. If the stock trades near or slightly below the proposed offer, that means the arbitrageurs — who make money by speculating that the



eventual buyout price will be greater than the current market price — believe the deal to be priced fairly.

When that occurs, portfolio managers and arbitrageurs recommend that individuals sell the stock and take their profits. They might miss a rise of a few more points, but they will avoid the risk of the stock's tumbling back to its original price if the proposed deal does not go through.

If the stock climbs above the offering price within 48 hours, that means arbitrageurs consider the bid low and expect a higher offer by either the original bidder or a new one. In that case, investors should sell 20 to 50 percent of their stock as a hedge against the risk of the proposed deal falling apart.

Linda S. Newman, president of the Atlanta Capital Corporation, and other money managers also caution investors to think twice before buying high-yield "junk bonds." At the first hint of weakness in the overall economy or specific problems at the companies, these low-rated bonds — some of which have been issued to finance leveraged

buyouts and recapitalizations — will tumble sharply, she said.

Given the drop in the bond prices of investment-grade industrial companies that occurred since the takeover battle for RJR Nabisco Inc. began, money managers also agree that, at least for now, individuals should generally avoid corporate bonds. Because even giant companies are no longer considered immune from debt-financed buyouts, the high-quality bonds of blue-chip companies have become off limits.

But those small investors who want to speculate on takeover stocks actually have more opportunities these days. Because the dollar values of the current deals are so large, the arbitrage desks at the leading Wall Street firms have committed a great deal of their capital to a few issues. And because their profits have been so large on the surer, announced deals, they are not risking their funds lately on the "whisper" stocks — those rumored to be takeovers — that were so popular before the crop of giant deals began in September.

As a result, value investors like Mr. Wiggins of Fidelity are finding bargains in companies that trade below their breakup value and that would be attractive to potential acquirers. "The arbs don't have to bother with the maybe's," Mr. Wiggins said.

There is a possibility that the takeover binge may be near its end and companies like these may never be acquired. Some investors believe the outcry over the \$13 billion acquisition of Kraft Inc. by the Philip Morris Companies and the RJR Nabisco battle may slow the pace of the giant mergers.

"Frankly, I'd be surprised if you see another one this big," David K. Schafer, president of Schafer Capital Management, a New York firm that invests \$400 million for institutional clients, said about the RJR Nabisco battle. "People who never agreed on anything before now agree that this has gone too far. It's possible the Government will come in."

The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED NOVEMBER 18, 1988

(Consolidated)

Company	Sales	Last	Net Chng
RJR Nb	18,651,300	84	- 5/8
Gen Ul	9,203,100	28 1/2	- 1/4
Gen El	8,011,900	43 3/4	- 1/4
Exxon	7,565,900	42 1/2	- 1/4
AT&T	6,846,400	27 1/4	- 1/4
IBM	6,583,200	115 1/4	- 1/4
Sears	6,079,900	40	- 1/4
Pfizer	4,817,500	57 1/4	- 1/4
Prime C	4,680,100	16 1/4	+ 1/4
HCA	4,607,600	46	- 1
E Kodak	4,562,500	44 1/4	+ 1/4
Interco	4,536,200	66	- 2
Kraft	4,470,000	103	- 1/4
Navistar	4,456,800	5 1/4	+ 1/4
Brk Am	4,454,673	17 1/4	+ 1/4

MARKET DIARY

Advances 593 Declines 1,268 Unchanged 300 Total Issues 2,161 New Highs 33 New Lows 113

Volume 880,359,145 Same Per. 1987 817,248,300

Year To Date 37,164,412,908 43,036,042,310

WEEK'S MARKET AVERAGES

High Low Last Change

New York Stock Exchange

Indust 182.2 178.6 180.6 -1.28

Transp 137.8 134.9 135.8 -1.83

Util 73.4 72.2 72.8 +0.39

Finance 129.1 127.1 127.8 -1.09

Composite 155.5 148.8 150.1 -1.06

Standard & Poor's

400 Indust 309.6 301.6 306.3 -1.75

20 Transp 216.9 211.4 213.2 -2.26

40 Util 118.1 109.4 110.2 -0.40

40 Financial 24.7 24.2 24.4 -0.10

500 Stocks 269.2 262.8 268.4 -1.46

100 Stocks 255.6 248.4 252.8 -1.47

Dow Jones

30 Indust 2084.8 2026.6 2062.4 -4.82

20 Transp 918.4 885.4 896.7 -12.67

15 Util 183.6 180.5 181.7 -0.83

65 Comb 793.4 771.1 781.9 -4.71

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED NOV. 18, 1988

(Consolidated)

Company	Sales	Last	Net Chng
EchoBy	1,381,600	15	- 1/4
TIE	1,381,200	1 1/4	- 1/4
Amdahl	1,334,500	18 1/4	+ 1/4
WangB	1,213,100	8	+ 1/4
Viacom	1,083,400	25 1/4	- 1/4
FAuPr	1,078,400	9 1/4	- 1/4
TexAir	959,900	13 1/4	- 1/4
LoTel	876,700	10 1/4	- 1/4
ENSCO	696,800	1 1/4	- 1/4
Orgnco	654,800	14 1/4	- 1/4

MARKET DIARY

Advances 229 Declines 623 Unchanged 182 Total Issues 1,034 New Highs 14 New Lows 96

Volume 41,866,155 Same Per. 1987 55,580,135

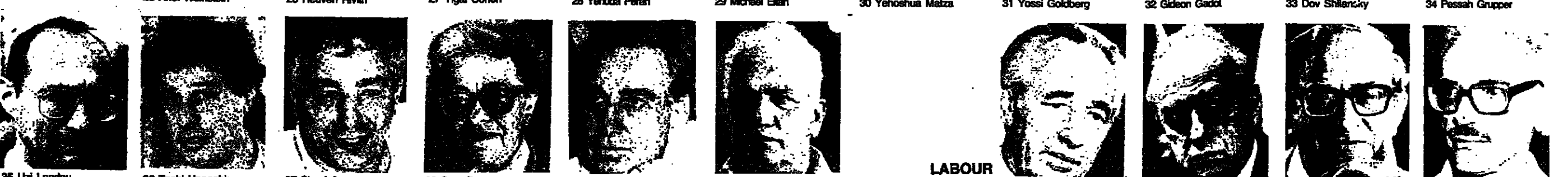
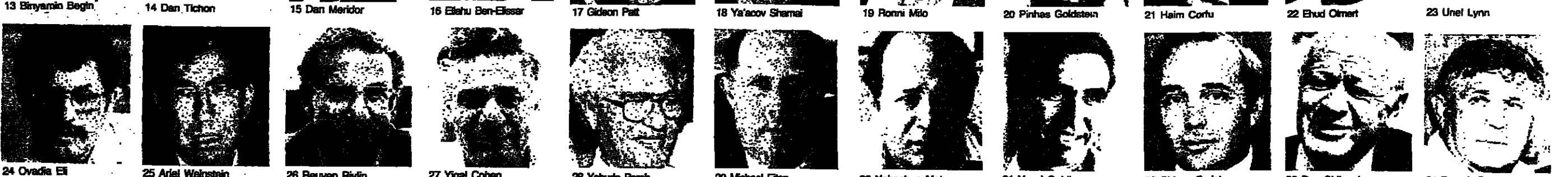
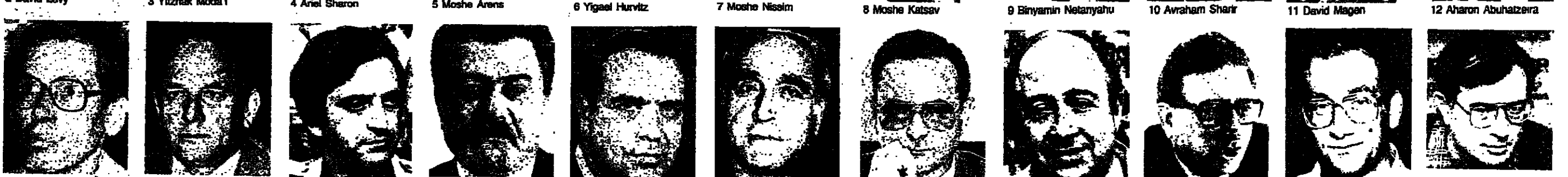
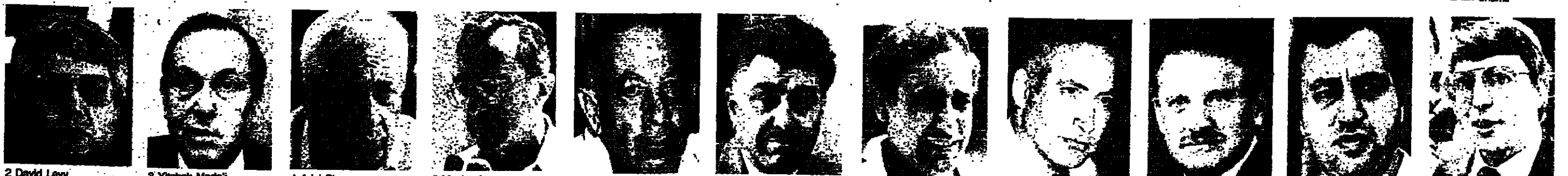
Year To Date 2,224,500,520 3,154,671,885

THE 12th KNESSET

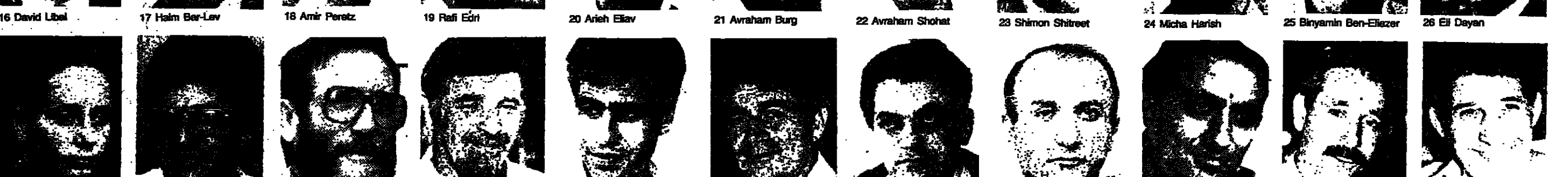
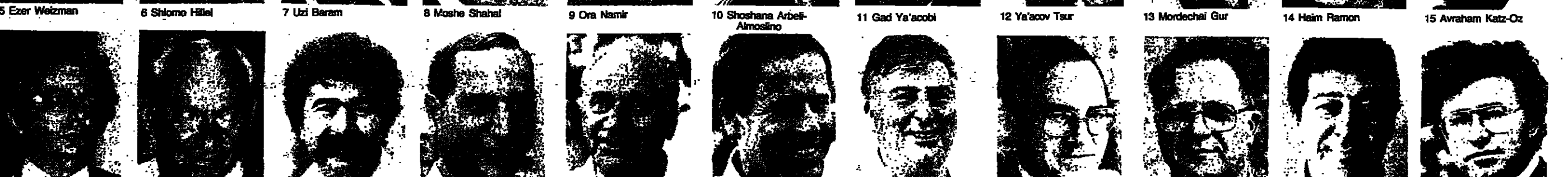
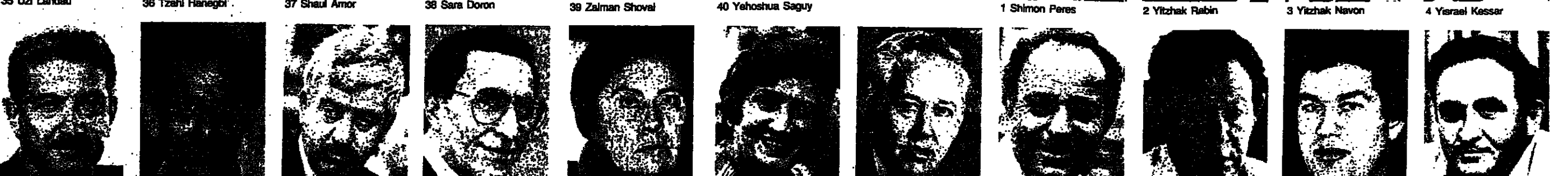
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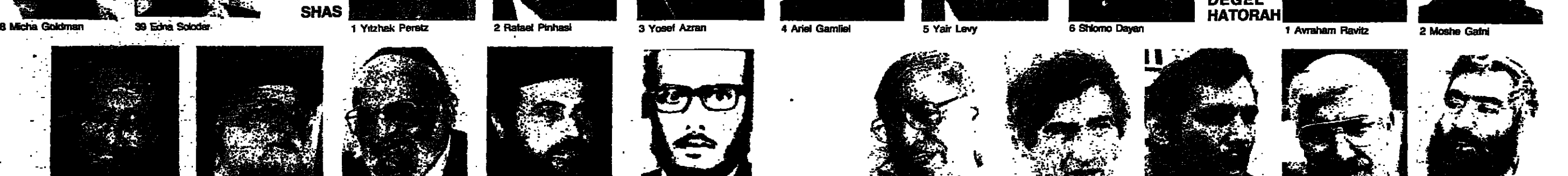


LABOUR



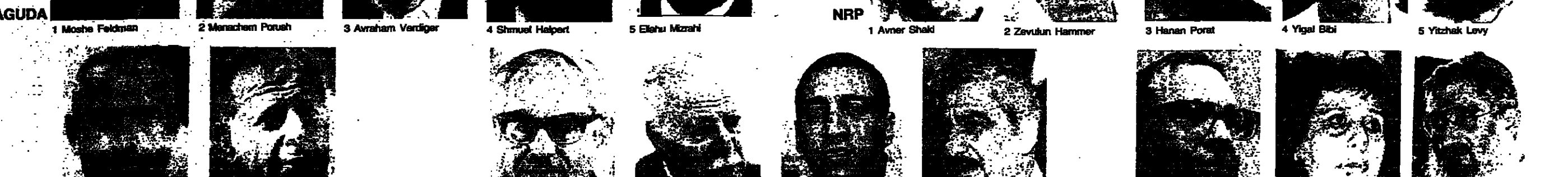
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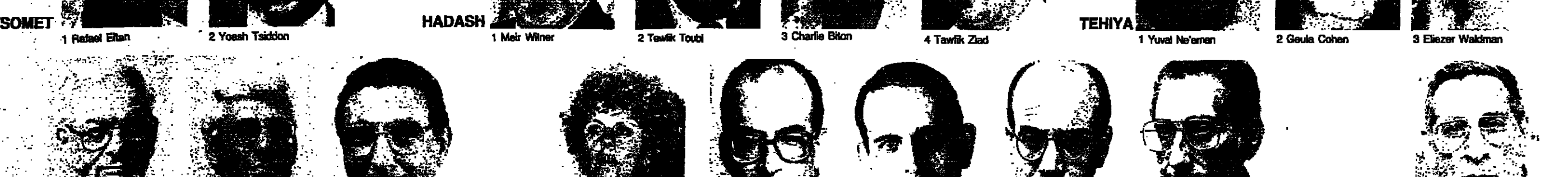
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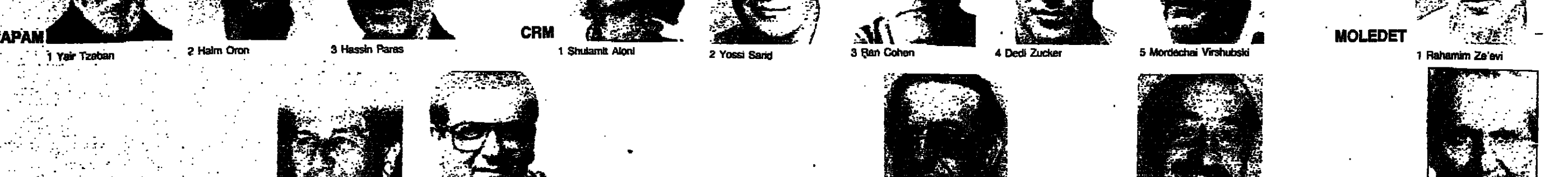
TEHIYA



MAPAM

CRM

MOLEDET



SHINUI

PLP

ARAB DEM



Test-tube talent



Helen Kaye

PLAYWRIGHT, author and director Nissim Aloni returns to the theatre after a two-year absence with *Shpritz*, a brand-new programme of satirical songs and sketches on the various fads, fancies and idiocies of our world.

The sketches cover such topics as the state of the State, standing in line for a U.S. visa, battered men, a course in defensive driving, and test-tube babies.

"Test-Tube Babies" is the name Aloni has given to *Shpritz's* six young performers: Debbie Kleider, Nuli Omer, Shmueli Levy, Michael Morim, Gad Por and Eli Yatzpan.

The lyrics are by Alon Olearchuk and the musical arrangements by Dorli Hazon. Previews start at Beit Abba Khoushi in Haifa on November 25 with performances at Tzavta in Ramat Hasharon, Tel Aviv and Rishon Le-Zion on November 26 and December 2 and 9 respectively.

Shpritz troupe (from right): Por, Levy, Yatzpan, Kleider, Morim, Omer.

Mixed company

Dora Sowden

RANDY DUNCAN, director-dancer-choreographer of the Joseph Holmes Dance Theatre, of Chicago has spent the best part of a week here, discussing lighting and staging and looking at the theatres where his company will dance next month (December 12-18). "I came to get myself used to the space here," is how he put it.

"When I dance with them, we are 13," 30-year-old Duncan said about the size of the company which he has been directing since Holmes, its founder, died two years ago. He had been his assistant for several years beforehand.

"I began to dance because one of my sisters was learning and I said I also wanted to learn. She chickened out but I kept on." None of his four brothers and another sister wanted to be dancers. "I was born and raised in Chicago in the black area," he explained. "I wanted something that offered a way to get out of it. I didn't want a wall around me. I chose the theatre because it was less likely to be prejudiced, and I looked to see how fast I could grab hold of myself."

He was appearing in musicals - *Hello Dolly*, *Carousel* - in Chicago when Joseph Holmes spotted him and asked him to join his company. Holmes had had an Afro-American company in the '70s but went to New York seeking something "to happen where it was happening" - New York. He came back to form a new company.

"It was all black at first, but if dancers were to be selected for quality not colour, it was better not to be labelled," said Duncan. "It was also a better selling point to get help from people if they saw we were integrated." Among the six men and six women of the company now there are blacks, whites and one Hispanic.

The company's auditions are held annually and dancers come "from all over." What the director looks for is that they should "have a spark and the drama we need." It takes a new member about a year to blend into the company's style or, as Duncan described it, "to get themselves together for me." There is a school and a project accessible to all who



Randy Duncan, Inbal dancer and Ashdod schoolchildren. (Yossi Dahan)

want a chance to dance but only the very talented become eligible to join the company.

The technique is based on "solid Graham" but classical placement and jazz are also basic elements. The repertoire consists of works by Holmes and Duncan and others like the famous Ruth Page and Peter Sparling (a member of the Graham company). Duncan has won a Ruth Page Award as choreographer. "Some works may be called abstract but they all have a theme that draws on human emotions - love, hate," he said.

Duncan said he is not merely following the pattern set by Holmes, who died of meningitis at the age of 38. "He was a very real person and a dominant force," he said, "but I have had time to see things my own way, the flaws as well as the pros." THE INTERVIEW took place on

the way to Ashdod where Duncan saw a performance of the Inbal Dance Theatre at a school. Hundreds of boys and girls - as noisy as Israeli children know how to be - sat on padded mats on the floor of the school hall. Yet when Sara Levi-Tanai stood at the microphone and began to explain what the dancers would do, the attention was remarkable.

Inbal gave a wonderful demonstration: glimpses of the many ingredients in Israeli ethnic dance, using only taken costumes - kherchiefs for the Kurdish section, traditional footwear for the Judeo-Spanish dance, mostly practice clothes for Yemenite and Hassidic dances, and even for a Moroccan wedding dance. It was a mini-panorama of Jewish dance sources and Duncan thanked Inbal and Levi-Tanai for giving him a look at Israeli "history."

Insignificant and musically meaningless

Music review

THE INTERNATIONAL GUITAR FESTIVAL: Marc Grauwels, flute, and Guy Lukowski, guitar (Belgium). First part (reviewed): works by Handel, Giuliani, Mozzani, Teleman, Villa-Lobos; second part (not reviewed): Druet, Ramirez, Garcia-Lorca, Ginastera, Piazzola. Tzavta, Tel Aviv, November 19.



ONLY VERY seldom do I leave a concert in the intermission. If the first part is disappointing, I usually stay in the hope that the second part will have some nice surprises in store. The first part of this particular recital, however, was so poor in content and so meaningless in communicating any kind of musical significance that one could hardly expect anything more substantial in the second part.

Grauwels' performance revealed an unsteady, often wobbling tone, lacking colour and depth. His tone never penetrated the thin surface. The low register was unmistakably plain, while the high register lacked even a semblance of brightness. In all the works he performed, including the solo by Teleman, he started, musically, nothing.

Neither did guitarist Guy Lukowski have anything more agreeable to bestow upon us. Whatever he played remained completely meaningless musically. In the Villa-Lobos, he sounded as if this were his first encounter with the composer and his music.

In these unprepossessing circumstances, the lack of reciprocal stimulation made itself unpleasantly felt. Each player pursued his own path.

Benjamin Bar-Am

Europe's films fight back

HOLLYWOOD
Tom Tugendand *One Flew Over the Cuckoo's Nest*.

THE TRUE STORY of *Milena*, a Polish journalist and confidante of Franz Kafka, is set to film in Prague. Vienna and Munich next February. Valerie Kaprisky stars in the title role and Philip Anglim, who was a Broadway success in *The Elephant Man*, portrays Kafka. Vera Belmont wrote the screenplay and will direct.

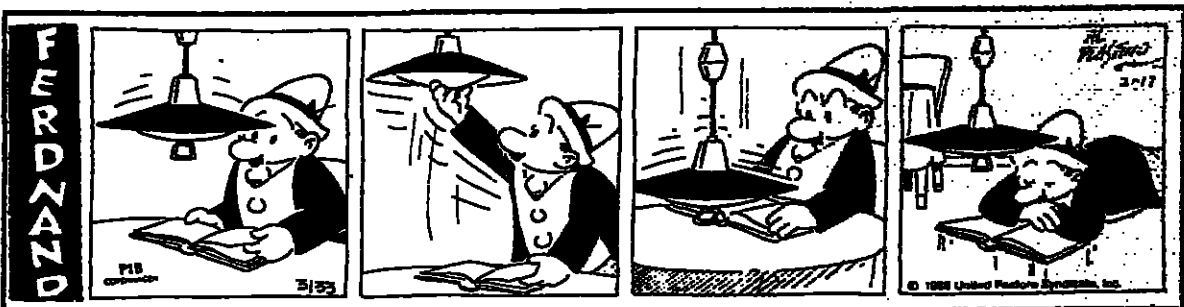
CURRENTLY SCREENING in Los Angeles is Israel's *On My Own*, described by the L.A. Times critic Kevin Thomas as "a sensitive but uninspired account of a bright, rebellious 11-year old, Tzion Cohen (Arik Ohana) sent to live with a foster family." Thomas praises Ohana and Ruchama Malka, who plays the boy's grandmother, as "wonderful actors" but criticizes director Tamir Paul as unable "to

bring to Tzion's story the impact it warrants."

LITTLE-KNOWN historical facts: Ronald Reagan and Anna Shokidan were the original choices for the roles played by Humphrey Bogart and Ingrid Bergman in *Casablanca*. Furthermore, although Ingrid Bergman's Lisa recalls wearing a dress when she and Bogart's Rick parted in Paris, she was actually wearing a suit.

These gems were discovered during research preceding the colourisation of the screen classic, over the anguished protests of the Directors Guild of America.

JEWISH ACTOR 'AI' Franken of the popular television show *Saturday Night Live*, has been taken to task by the Anti-Defamation League for a skit he wrote for the show called "Jew/Not Jew." It consisted of a mock game show, in which contestants had to guess whether certain celebrities were Jewish. In defence, Franken explained that "this is what my family did... we'd watch TV and guess whether the actor was Jewish."



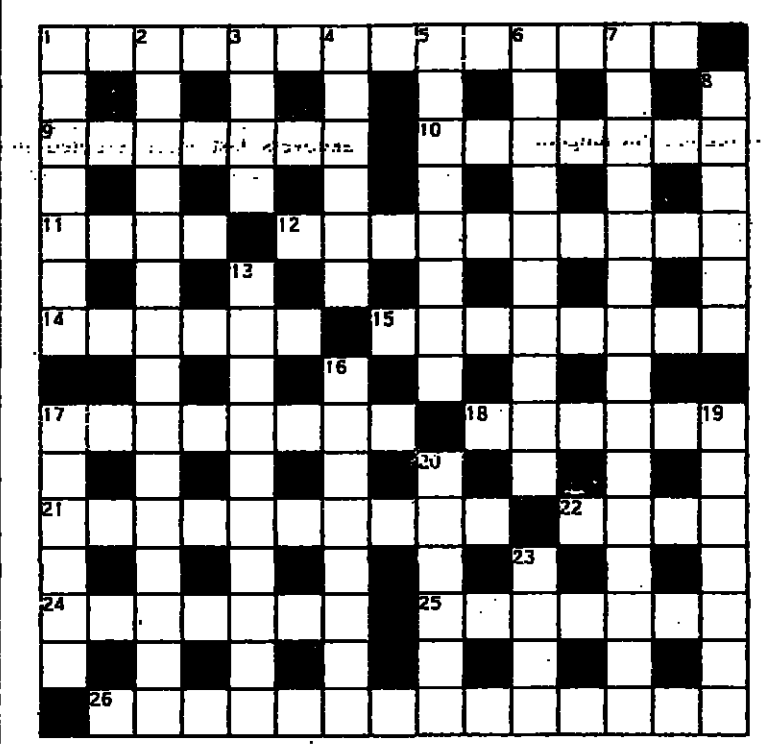
Crossword

ACROSS

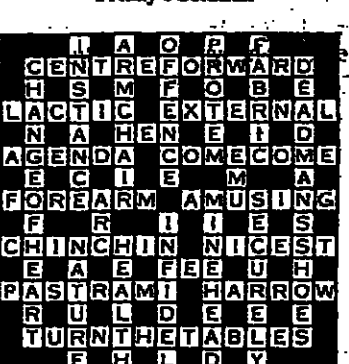
- 1 A French firm to admire, although lacking a system (14)
- 9 Great blunders of noisy monkeys (7)
- 10 Make angry with adulation? (7)
- 11 If is paired, we hear, for a digital display (4)
- 12 Figure's dance & singing style? (6-4)
- 14 Sharp-eyed birds in golf-holes (6)
- 15 From Tuesday, about noon, got slinky (8)
- 17 Attend! Encyclopaedia, in part, shows general drift (8)
- 18 Appealing lady at the bar in Venice (6)

DOWN

- 21 Fancy coping with bare adults running wild? (10)
- 22 Norse god of noise abatement? (4)
- 24 Young rambler should blossom out in time (4-3)
- 25 Chilly quality here in France on the headland? (7)
- 26 Turning out in so stately a style? (14)
- 1 (Go mad and remove door-latching) (7)
- 2 So, I signal any L.b.w. that alters these figures (7-8)
- 3 Ragout some conservative politicians served up (4)
- 4 Snuna's out of order the place is sub-tropical (6)



Friday's Solution



QUICK SOLUTION

ACROSS: 1. Lussie, 4. Chewed, 7. Quakey, 10. Grub, 10. Rats, 11. Sower, 13. Extrem, 14. Thistle, 16. Mechat, 17. Quarry, 18. Hain, 20. Hain, 22. Hain, 23. Narissus, 24. Tennis, 25. Sifted, 26. Quail, 27. Quail, 28. Quail, 29. Quail, 30. Quail, 31. Quail, 32. Quail, 33. Quail, 34. Quail, 35. Quail, 36. Quail, 37. Quail, 38. Quail, 39. Quail, 40. Quail, 41. Quail, 42. Quail, 43. Quail, 44. Quail, 45. Quail, 46. Quail, 47. Quail, 48. Quail, 49. Quail, 50. Quail, 51. Quail, 52. Quail, 53. Quail, 54. Quail, 55. Quail, 56. Quail, 57. Quail, 58. Quail, 59. Quail, 60. Quail, 61. Quail, 62. Quail, 63. Quail, 64. Quail, 65. Quail, 66. Quail, 67. Quail, 68. Quail, 69. Quail, 70. Quail, 71. Quail, 72. Quail, 73. Quail, 74. Quail, 75. Quail, 76. Quail, 77. Quail, 78. Quail, 79. Quail, 80. Quail, 81. Quail, 82. Quail, 83. Quail, 84. Quail, 85. Quail, 86. Quail, 87. Quail, 88. Quail, 89. Quail, 90. Quail, 91. Quail, 92. Quail, 93. Quail, 94. Quail, 95. Quail, 96. Quail, 97. Quail, 98. Quail, 99. 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No need for hysteria over dollar's decline

NEW YORK — Although it has shaken up the securities markets, many Wall Street analysts say the renewed decline in the dollar is no cause for great alarm.

The dollar's slump in foreign exchange, which took it Thursday to the verge of a modern low against the Japanese yen, intensified after the U.S. election early this month.

It was widely attributed to worries, especially among foreign investors, about what actions the administration of President-elect George Bush would take to cut the federal budget deficit. But many observers say the circumstances don't justify any big surge of pessimism.

"We believe that the outburst of hysteria about both the budget and the dollar are unwarranted," said Edward Yardeni, economist at Prudential-Bache Securities. The debate over what action Bush might adopt to reduce the budget deficit ignores the fact that measures already have been taken in that direction, Yardeni observed.

The Gramm-Rudman-Hollings Act of 1985 is already on the books mandating steady reductions in the budget deficit over the next several years.



Worries have also surfaced that the dollar must go lower if the U.S. is going to show continuing improvement in its trade deficit, the gap between the imports it consumes and the exports it is able to make and sell.

Even if that is so, maintains John Connolly at Dean Witter Reynolds Inc., "given the already substantial decline since early 1985, it may not entail that much movement from the current level. 'The spectre of a free-fall, as developed in 1987, should be discounted. A really sharp drop in the dollar would make U.S. industry too competitive. 'Since we are probably not all that far from an equilibrium level, it should not be too difficult for the central banks to get us to that level without excessive turmoil.'"

Despite such assurance, the stock market remained on the defensive in the past week. The Dow Jones average of 30 industrials, which had fallen 78.77 points the week before, lost another 4.62 to 2,062.41.

The New York Stock Exchange composite index fell 1.06 to 150.18; the NASDAQ composite index for the over-the-counter market dropped 6.16 to 367.58, and the American Stock Exchange market value index was down 4.81 to 286.67.

For many skeptics to become believers in a dollar recovery, the dollar probably would have to turn in a steady showing on its own for at least a few days without government help.

If the dollar must go lower before that happens, some analysts argue, so be it.

Though a falling dollar does threaten to scare off foreign investors with their much-needed capital, these analysts say, it also might well yield some positive results.

"It would give yet another boost to our exports," asserted Yardeni. "The trade deficit would narrow at a faster pace." (Associated Press)

Bearish sentiment remains

The dollar closed higher Friday, supported by continuing central bank intervention. Their efforts managed to reverse the dollar's decline, at least for the time being and the currency closed little changed for the week.

The much awaited trade data for September were released Wednesday. The \$10.36 billion deficit came in line with market expectations and represented a sharp improvement from August's \$12.27b. deficit, but the dollar failed to gain on this positive news. This was taken as a very bearish sign. Market operators sold the dollar heavily and in Thursday's Tokyo trading the dollar fell to 1,712.00 yen and 121.53 yen, a new



continued Friday. This effort clearly cooled down the enthusiasm of dollar sellers, but the basic bearish sentiment towards the currency seems to remain unchanged.

The column appears courtesy of the Boaz Barak Advisory Service.

Israel Money Markets

Shekel Deposits (annual rates)				
Bank	Deposit Size	Fixed	7 days	30 days
Leumi (Nov 16)	40-999	10.00	10.00	11.00
	1,000-4,999	10.00	10.00	11.00
	5,000-49,999	10.00	10.00	11.00
	50,000-499,999	10.00	10.00	11.00
Hapoalim (Nov 7)	40-999	10.00	10.00	11.00
	1,000-4,999	10.00	10.00	11.00
	5,000-49,999	10.00	10.00	11.00
	50,000-499,999	10.00	10.00	11.00
Discount (Nov 20)	40-999	10.00	10.00	11.00
	1,000-4,999	10.00	10.00	11.00
	5,000-49,999	10.00	10.00	11.00
	50,000-499,999	10.00	10.00	11.00
Mizrahi (Nov 14)	40-999	10.00	10.00	11.00
	1,000-4,999	10.00	10.00	11.00
	5,000-49,999	10.00	10.00	11.00
	50,000-499,999	10.00	10.00	11.00
First Intl (Nov 14)	40-999	10.00	10.00	11.00
	1,000-4,999	10.00	10.00	11.00
	5,000-49,999	10.00	10.00	11.00
	50,000-499,999	10.00	10.00	11.00

Patah (foreign currency deposit rates) (Nov. 21)				
Currency (deposit for)	3 MONTHS	6 MONTHS	12 MONTHS	5 YEAR
U.S. dollar (\$100,000)	8.75	8.75	8.75	8.75
British sterling (£100,000)	10.625	10.750	10.750	10.750
Deutsche mark (DM 200,000)	4.000	4.125	4.125	4.125
Swiss franc (SF 200,000)	3.125	3.250	3.250	3.250
Yen (¥ 1 million)	3.125	3.125	3.125	3.125

Shekel Foreign Exchange Rates (Nov. 18)				
Currency	Buy	Sell	Banknotes	Rep. Rates
U.S. dollar	1.7080	1.7200	1.55	1.7150
Deutsche mark	0.2681	0.2700	0.26	0.2680
French franc	2.8831	2.8950	2.88	2.8750
Japanese yen (100)	1.2967	1.3020	1.29	1.2950
Dutch florin	0.8051	0.8100	0.79	0.8050
Swiss franc	1.2951	1.3000	1.29	1.2950
Swedish krona	0.2801	0.2820	0.28	0.2810
Norwegian krona	0.2281	0.2300	0.22	0.2280
Denish krona	0.2281	0.2300	0.22	0.2280
Finland mark	0.2821	0.2840	0.28	0.2830
Canadian dollar	1.2521	1.2580	1.25	1.2550
Australian dollar	1.2451	1.2510	1.24	1.2480
S. African rand	0.6550	0.6570	0.65	0.6560
Belgian franc (10)	0.4330	0.4350	0.43	0.4340
Austrian schilling (10)	1.2500	1.2550	1.25	1.2520
Italian lire (1000)	1.2197	1.2250	1.21	1.2200
Jordanian dinar	—	—	—	—
Egyptian pound	1.4750	1.4800	1.47	1.4750
Irish punt	2.4070	2.4100	2.40	2.4050
Spanish peseta (100)	1.2770	1.2800	1.27	1.2750

OVERSEAS FINANCIAL DATA
PROVIDED BY REUTERS MONITOR

Barely a day goes by without more bad news concerning the economy, especially with regard to the industrial sector. Against a background of dismissals leading to rising unemployment, and with industrial production falling and plants being closed, the public might be excused for believing that the picture is one of unrelieved gloom.

But there have been some positive developments recently. A major American company has just made its first big investment in the Israeli economy, precisely in one of this year's worst-hit industrial areas, namely the textile and clothing sector. By choosing Delta Galil, Sara Lee may have reminded some of the local gloom-and-doomers that there are successful companies in Israeli industry, even in problematic areas.

Meanwhile, an old face on the Israeli industrial scene, Joel Ostrowitz, who founded and still dominates Israel Petrochemical Enterprises, wants to expand his activities. He seems to have finally won his battles with the bureaucracy and, by dint of burying the hatchet with his former rivals in the Oil Refineries Ltd., paved the way for a major step forward in the Israeli petrochemical industry, which was enveloped in crisis only two years ago.

Ostrowitz is nothing if not a colorful figure on the local scene. At last week's cornerstone-laying ceremony of the new Carmel Olefins plant that Israel Petrochemical Enterprises and the Oil Refineries have agreed to build, he took the opportunity of reviewing the "Via Dolorosa" that he had been forced to traverse in order to reach this point. Ostrowitz says out loud what other potential investors think to themselves but forbear to express, preferring to make polite excuses, pack their bags and head elsewhere with their money.

That makes his speech at the ceremony worth quoting, more or less verbatim, since in his case there is almost no difference between what he says on or off the record, or how he says it. (Pinhas Landau)

Dear Friends and/or Dear Ex-Enemies! Thank you for joining us at this solemn cornerstone-laying ceremony. It is, of course, a joyous happening — and I am certainly not going to spoil it with a lengthy speech. But permit me, please, to delve briefly into history, in which we had to face some thunder and lightning. Since April 1976, through a letter addressed to the Prime Minister, I insisted on the expansion of our petrochemical industry....

Finally, after a long hibernation and at an extremely high cost, in a



Israel Petrochemical Enterprises' victory

The battle with bureaucracy

kind of a Pyrrhic victory, we got the green light, and here we are, ready for a giant leap. To the joyous and vivid emotion of today, unfortunately, I have to add a sort of bitterness that we had to waste 30 months — for me, personally, 30 very precious months — from the day Oil Refineries Ltd. and Israel Petrochemical Enterprises decided to join forces and to make the dream come true.

When in May 1986, through the good offices of my friend, Uriel Lynn, I approached Zvi Zamir (general manager of the Oil Refineries), with whom I was then not even on speaking terms, offering cooperation instead of confrontation leading nowhere, he accepted the merits of my suggestion of a joint \$500 venture. He showed more vision than the shortsighted officials....

Zamir welcomed my intention — but not the Treasury people, who favored the absurd situation of sacrificing sound ventures like ours, in order to save ailing companies.... They advised me to direct my investments to other countries, where they are foolish enough to hand out incentives. I heard here that Britain, France, West Germany and others that finance develop-

ment are not an example worthwhile following.

At last, the decision has been made, thanks to the support we got from Industry and Trade Minister Ariel Sharon and Energy Minister Moshe Shahal. We accepted Development Zone B status [for government grants and incentives under the Encouragement of Investments Law] on the understanding that we would be free to purchase our feedstock from any source, local or foreign, as we see fit, the same way our customers are entitled to.

How can an industry stand on its own feet, when the government determines the prices, controls all incoming and outgoing products, lays all kind of red tape, instead of red carpet for the investors? If the government wants to have such a say in all [a company's] vital moves, let them as well share some minor risk and participate with at least 20% of the investment. They should bear in mind that for every dollar of incentives, we will provide \$5 of export revenue every year; we will offer 700 new jobs and we will repay the so-called subsidy in two years' time, by way of taxes, which we already pay on our existing operations. So the Treasury will get its money

back, before the shareholders will see a penny. I cannot believe that the monthly trade deficit, which climbed to \$377 million in October, is a better alternative.

Then they brought up the ecological problem, ignoring the fact that our products, polystyrene, polyethylene and polypropylene, are not polluting plants at all. As for the refineries, the more upgrading they do, the more off-gases they consume, and the less of it they flare into the air.

The real pollution, the most unhealthy one, is unemployment. I still wonder who started that campaign of distortion and destruction of fear and smear.

Today, we at Petrochemical Enterprises supply 200 plastic factories, employing 15,000 workers, responsible for \$1 billion of annual sales, of which \$200m. are exports.

The expansion is designed to increase our sales on the local market to 100,000 tons per annum of polyethylene, plus 30,000 of polypropylene, saving some \$200m. every year, which the country would have to pay out for the import of similar products. In addition, we will export 40,000 tons of polyethylene and

30,000 tons of polypropylene, at a total of \$100m. in foreign currency. Our output per worker which is today excellent — about \$20,000 per annum, probably the highest in the country — will rise even higher when the expansion will be implemented. I wish to single out one Treasury official who really wanted to listen, to learn, and who decided to back the project: Ze'ev Refuah, director of the Government Corporations Authority. I should also add to the list of our supporters to whom I express my thanks the names of Nathan Arad, Yoram Belizovsky and Oded Shamir who proved to be the right people in the right place.

The Oil Refineries, which is producing today 120,000 tons annually of ethylene, will increase its capacity to 150,000-160,000 tons, in the first stage. When the two companies merge, Carmel Olefins Ltd. will start with \$200m. in existing revamped assets, to which we will add new facilities in the amount of \$100m. bringing our total of fixed assets to \$300m. The added value in our product is around 60% — and not too many companies in Israel can show such figures.

But to me, good is not good enough — when better is expected. I probably need the excitement of a real challenge. This is my anabolic steroid. I am proud to be the chairman of that unique company, Carmel Olefins, which we just established jointly with the Oil Refineries. Haifa for us is not the ideal place — it happens to be the only place for the petrochemical industry, linked already by pipeline to the refineries and linked by pipeline to the Kishon Pier, where we have our loading and unloading facilities.

The Oil Refineries and Petrochemical Enterprises, and their staff assigned to Carmel Olefins, will certainly demonstrate the ability to run the show.... In addition, we have an outstanding labour force with whom I always cultivated a warm relationship. I am honoured that I have been nominated number one worker of Israel Petrochemical Enterprises by the workers themselves. I found them capable to develop the economy, without relying on handouts and this is our objective. Of course, I am crazy attached to the country, with a compelling desire to get things done — and quickly. I wish we could have more cornerstone ceremonies, and less tombstones for deceased enterprises.

My only aim now is to build a model industry, for you and me to be proud of, so I can leave with the satisfaction of mission accomplished.

Big U.S. insurer sues RJR over buy-out

By JAMES BUCHAN

NEW YORK — The seething discontent among U.S. investing institutions at the wave of debt-financed takeovers last week erupted into outright rebellion when the Metropolitan Life Insurance company, one of America's top three investors, sued RJR Nabisco over its proposed leveraged buy-out.

The suit, filed in New York Supreme Court on Thursday, is the strongest action yet by a professional investor against speculation on Wall Street. John Crendon, MetLife president, warned that the trend to "larger and more complicated transactions and megadeals is posing a real threat to the integrity of the capital markets in this country."

MetLife accused management of the tobacco and food group of cynically breaking faith with its lenders in launching its unprecedented \$20.9 billion offer for the company. The buy-out proposal, which envisages adding billions of dollars in new debt to the company, caused a sharp drop in RJR's creditworthiness last month and wiped \$1b. off the \$5b. value of its existing bonds, MetLife

said. "To wantonly destroy the value of long-term debt is to jeopardize the future of our capitalist system," Crendon said.

The suit is the second launched by angry bondholders at RJR and its chief executive, Ross Johnson. On Wednesday, the ITT industrial and financial services group sued for damages and the restitution of losses on RJR bonds held by its insurance subsidiary, The Hartford.

But the move by MetLife, a publicity-shy mutual company with more than \$115b. of America's insurance and pension contributions invested in financial markets, sent a chill through Wall Street. RJR common stock, which has risen more than 50 per cent the prospect of a competitive takeover battle, plunged by 33% to \$80 in morning trading.

The sharp fall in RJR stock came despite competing offers of \$92 a share from the Johnson group, allied with the Shearson Lehman investment bank, and \$90 a share from Kohlberg Kravis Roberts, Wall Street's leading leveraged buy-

out firm. There were also reports yesterday that the Wall Street firm of First Boston and interests related to Chicago's Pritzker family wanted to enter the bidding for RJR before a deadline set by the company's non-management directors expired Friday. These reports could not be confirmed.

In its suit Thursday, MetLife said it had taken losses of about \$40 million when the price of its \$340m. face-value in RJR bonds collapsed with the announcement of the Johnson plan last month. Crendon said the management group, which will own a big share of the heavily indebted company after the buy-out, had "in effect misappropriated" more than \$1b. in bondholders' property.

Crendon said MetLife had done well on its holdings of RJR stock but the purpose of the lawsuit was to protect creditors. MetLife, which has some \$50b. invested in investment grade corporate bonds, would take action to prevent the "reckless devaluation of long-term bonds." (Financial Times)

U.S. chipmakers head for sharp dip

By LOUISE KEHOE

SAN FRANCISCO — U.S. chipmakers, who had been anticipating a gradual slowdown in business next year, appear to be heading into a sharp decline.

Two of Silicon Valley's largest semiconductor manufacturers have reported a significant worsening in market conditions.

Charles Spork, president of National Semiconductor, said he expected the company to show "significant operating losses" in the current quarter. His statement came as a disappointment to industry analysts since only a few weeks ago, National described several of its semiconductor product lines as profitable with strong sales.

National's bad news came on the heels of an announcement from Advanced Micro Devices that it planned to lay off up to 1,000 U.S. employees in January and undertake a large restructuring of its business.

AMD's problems were attributed largely to its heavy dependence on customers in the personal computer industry, some of whom have significantly cut back on chip purchases in recent weeks.

The decline in semiconductor orders from the personal computer market was also recently reflected in the industry's leading indication, the book-to-bill ratio, which fell to a three-year low of 0.92 for October.

This means that the industry "booked" new orders worth \$92 for every \$100 worth of chips sold during the month.

National's projected losses have, however, provided evidence that the semiconductor decline may be far broader than anticipated.

National has relatively little exposure to the volatile personal computer sector and had therefore not been expected to be as badly affected as AMD.

National said it had experienced a "sharp decline in bookings and sales" through distributors who sell

semiconductors to a broad range of electronics manufacturers.

It added that it views the decline as an "inventory correction." Distributors bought heavily over the summer months, National said, and may now be overstocked.

While some analysts suggest that National and AMD's problems may be related to the fact that both companies were involved in major acquisitions recently — National acquired Fairchild's semiconductor operations while AMD merged with Monolithic Memories — others see this as the beginning of an industry-wide decline in US semiconductor sales.

At National, semiconductor losses may be partly offset by an anticipated improvement in its computer business.

The company said it expected significant improvements in the operating performance of its Information Systems Group. (Financial Times)

Jordan must expand, develop its meagre water resources

AMMAN (Reuters) — Jordan must find new water resources and improve the use of existing ones over the next 15 years to cope with its rapidly expanding population, Water and Irrigation Minister Ahmed Dhukhan said yesterday.

He told the official news agency Petra that Jordan would need 226 million cubic metres of water annually by the year 2005, compared with estimated 1987 production of 150 million cubic metres.

"The needs can be met through additional artesian wells, the construction of dams and research on means of recycling treated water," he said. But Dhukhan said nearly

half the water destined for irrigation was now lost through evaporation or leakage.

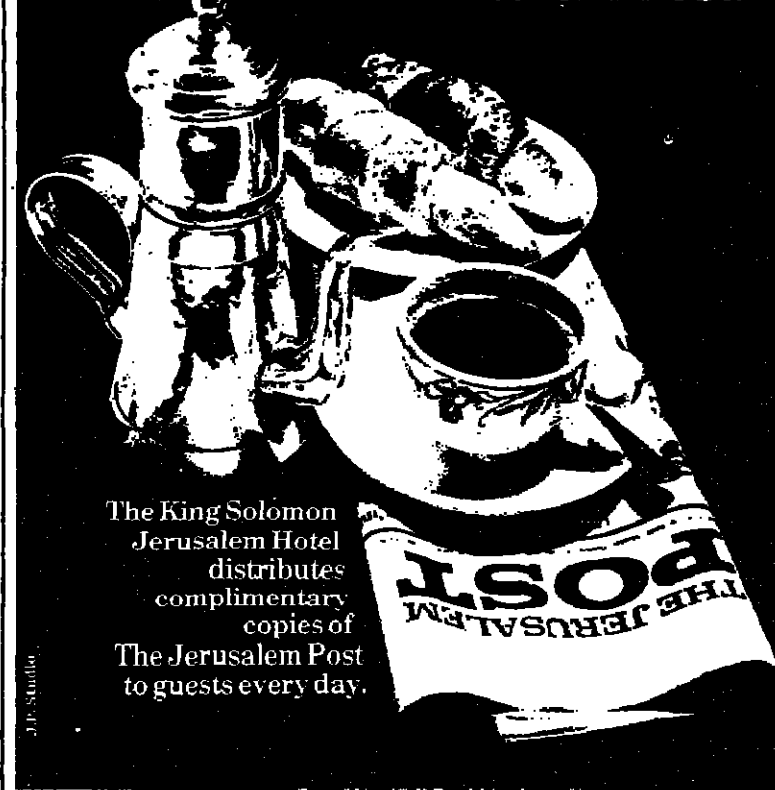
Jordan has meagre water resources and three-quarters of its land is arid. The population of around three million is growing at an estimated rate of 3.8% a year.

It has asked Arab and international agencies to help to finance a \$440 million-dam on the Yarmuk river on the Syrian border. Work is expected to start next year.

Officials say the reservoir created by the dam would hold 225 million cubic metres of water and supply 50 million cubic metres a year to Amman.

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Government refinances \$2.25b. of its debt to Uncle Sam

Israel scores in U.S. bond markets

By PINHAS LANDAU
Post Finance Reporter

The government wrapped up another major multi-billion dollar success last week by successfully refinancing \$2.25 billion of debt to the U.S. government via bond issues in the New York market.

In late September, the government launched the refinancing process by selling new bonds worth \$2.5b., utilizing the terms of a special law passed by Congress to allow debtor countries to reduce the cost of their military debt to the U.S. For Israel, the meaning of this cost reduction is huge budget savings in lower interest payments over the next two decades, worth over \$1 billion.

The September issue was the largest ever non-U.S. government bond flotation, and last week's was the second largest. Both were executed with exceptional success, and attracted very favourable comment in U.S. financial community and press.

In charge of the operation for the Israeli government were Treasury director-general Victor Medina, and accountant-general Aryeh Sher, who returned from New York late last week, after overseeing the second stage of the refinancing.

The object of the whole process,

referred to in short as "FMS (foreign military sales) refinancing," is to cut the cost of the \$5.5b. in U.S. military aid loans that Israel received in 1979-1983, mostly in connection with the withdrawal from Sinai and redeployment in the Negev.

Because interest rates at that time were at record highs, the FMS loans - for periods of up to 30 years - carried interest rates of as much as 12%-14%, and in all cases above 10%.

By 1986, market interest rates had halved, but Israel and other debtor countries were saddled with the high rates of early in the decade. Only following a prolonged diplomatic effort did the Administration push through the FMS Debt Refinancing Act, which became law earlier this year.

The act allows debtor countries to refinance FMS loans carrying interest rates in excess of 10% per annum, by issuing new bonds in the markets which are 90% guaranteed by the U.S. government.

Israel is the biggest single debtor country involved in the programme, with Egypt the second biggest and Tunisia the smallest.

But Israel acted with the most alacrity. The Treasury hired the Wall Street investment firm of Kid-

der, Peabody as its adviser, and set out to recycle the FMS loans as rapidly as possible. The background of rising U.S. interest rates in recent months added urgency to the planning.

The first issue, covering \$2.5b. of the most expensive debt, was underwritten by five leading New York firms, and a group of major banks acted as junior managers. The issue was covered to the tune of 90% by the U.S. government guarantee, with the remaining 10% backed by regular U.S. Treasury bonds bought for this purpose by the Israeli government. Thus the whole amount was under the umbrella of Uncle Sam, which made its risk rating almost on a par with normal U.S. government bonds, and its pricing reflected this, with the average yield being around 9.3%, or less than 0.5% above equivalent U.S. Treasury issues.

Last week's issue followed the same pattern. The lead underwriters were the investment houses of Shearson Lehman Hutton, Merrill Lynch, Salomon Brothers and Bear Stearns, while First Boston dropped into the co-management group, along with Drexel Burnham Lambert and Smith Barney.

Interestingly, the junior managers of the issue included the Bankers

Trust subsidiary, BT Securities Corp., indicating that the Koor crisis that Bankers triggered has not affected its other business relationships with the Israeli government.

The \$2.25b. was split into six different bonds, of which five were "straight" issues paying annual interest, with average maturities of between two and 11 years. The largest single amount was, as in the first issue, a zero-coupon bond which accounted for almost \$1b. of the total.

The pricing, at an average 35 "basis points," or 0.35%, above the equivalent rate of U.S. Treasuries for the same maturity, was "as good as, or better than" that obtained in the first issue, Medina told *The Jerusalem Post*, adding that he was very satisfied with that achievement since the market was generally weaker this time.

Medina noted that the market professionals had complimented the Israeli and American planners of the issue for "not having left any money on the table." This is market jargon for pricing an issue to the best advantage of the issuer, without making it so expensive as to scare off buyers, and reflects the perception that the flotation had been a resounding success for everyone involved.

Biggest fall in 5 weeks

Share prices plunge as devaluation fades

Post Economic Staff

Share prices were sent spinning yesterday for the biggest single one-day drop in five weeks, with sharp falls across the board.

Turnovers rose to almost NIS 10 million in the "free" share market, with a further NIS 7.4m. in the "arrangement" sector, which also came under selling pressure.

Reasons for the abrupt about-turn in the recent upsurge trend were not hard to find. Analysts pointed to the latest round in interest rate rises, to a rash of poor figures on the economy's performance in the year to date and future outlook in the near-term, to coalition difficulties and political problems. But, above all else, was the disappointment felt by many brokers that the weekend had passed without the long-awaited devaluation of the shekel having taken place.

Devaluation expectations had been among the main forces pushing the market higher in recent weeks, and the prospect of the exchange rate remaining stable for weeks to come was enough to persuade at least some participants to cash in profits and move to the sidelines.

This was confirmed by the fact

that the sharpest falls were in electronics (down 5.35% on the day), chemicals (4.13% lower) and investment companies (off 4.67%), all of which are mainly export-oriented sectors. On the other hand, mortgage banks actually rose, reflecting the stability of the index-linked bond sector and of inflation-oriented investments generally.

The electronics rout was helped by the poor results published by Elron Electronics on Thursday, and Elron itself was marked sellers only in the morning session of two-sided trading, before ending the day 9.75% lower, at 202560.

The shares in the two-sided session bore the brunt of the selling, as is attested to by the extent of the fall in their index - down 4.77% to 88.00, compared to a fall of 3.30% in the general share index excluding arrangement shares.

The main seller in the market was easily identified as the Leumi Pia mutual fund group, while on the buying side, Hapoalim's provident funds stood out in their willingness to absorb offers as prices fell. But although few buyers emerged, so that the price falls intensified from one round to another in the two-

sided session, the selling actually eased rather than fed on itself.

This development fed suspicions that Leumi Pia was engaged in a tactical raid on the market, rather than having adopted a fundamentally negative view. Having taken in new money from investors last week, while continuing to sell as prices rose, Leumi Pia is now thought to be trying to shake out the market, force prices lower, and smoke out weak-hearted investors who will sell under pressure, thereby allowing it to stock up on stocks at lower levels. If this theory is correct, the current fall is only an exaggerated bout of profit-taking.

However, given the negative factors noted above, and in view of the significant run-up in stock prices in recent weeks, some observers believe that the market might be in for a longer spell of weakness. But all traders are agreed that political developments will have a major impact on the market until the net government takes shape, and the focus of attention switches to its economic policy approach.

More banks increase prime rate

Bank Hapoalim and the First International Bank will raise their main borrowing rates by 0.1% a month later this week.

Hapoalim's move will take effect Thursday, while First International will raise its rates 24 hours earlier.

Both banks were the last two major banks to adjust prime rate from 15% to 16.2% a year in line with their competitors.

The increase follows the rise in the interest rates the banks pay on shekel deposits as well as the increase in the Bank of Israel's monetary tender interest rates. The average interest rate set at the previous tender was 27.4%.

The other major banks meanwhile, might consider once more adjusting their rates upwards within the next few days in another cycle of increased interest rates.

E. European workers discovered working here without permits

Post Economic Staff
Dozens of East European workers are working in the country illegally, according to recent reports confirmed yesterday by the Employment Service.

At Yachin Hakal's packing house in Ashdod, seven Polish women workers were discovered working there without a permit at the end of last week. The Employment Service's southern office successfully petitioned for a court order Friday, forbidding the plant to continue employing the workers. Yachin Hakal was also fined NIS 500 for each Polish worker employed. The workers themselves will be expelled from the country.

A Jewish worker at the packing house said one of the Polish women had told her that dozens of people

from Poland were coming to Israel to work. She said the Polish woman said Israeli salaries were 300% higher than those in Poland.

Israel Radio yesterday said an additional 45 Polish workers are also working here without the necessary permits, again in the citrus industry. Employment Service officials said last night they were aware of this and were increasing their inspections at plants around the country.

The officials said the service was not issuing any more permits at the moment because of the country's worsening unemployment rate, stating categorically that "we do not want any more foreign workers here." At present, nearly 4,000 foreign workers hold work permits here.

Sara Lee stake in Delta-Galil finalized

By JUDY MALTZ

Post Business Reporter
Sara Lee Corporation, the U.S. food and textile giant, has acquired a 25.1% stake in Delta-Galil Industries, for \$16.7 million, according to an agreement finalized between the two companies Friday.

According to the agreement, which had been under negotiation for the past few weeks, Sara Lee will also receive 11.51% of the voting rights in Delta. In addition, it will have the option to increase its stake in the Israeli company to 41.5% over the next five years. But Dov Lautman, Delta's founder and president, said he intends to retain his controlling stake in the firm.

Ranked No.2 in the world in men's underwear, Sara Lee operates in 30 countries around the globe, market: its products in 145 countries, and typically turns over \$10.4 billion a year. According to Lautman, Sara Lee regards Delta as a means of expanding its business in Europe, as the Israeli company is now Europe's largest manufacturer of men's underwear. The bulk of Sara Lee's business is currently in the U.S. market.

In addition, he said, Sara Lee is interested in taking advantage of Israel's free trade agreement with the European Community.

As far as Delta is concerned, he said, the \$16.7m. investment - one

of the largest foreign investments to be made here in recent years - will allow the company to continue expanding at a rate of 20% a year.

Unlike other leading Israeli textile companies - Polgat Industries and Kitan - Delta is still making money. Still, in the first six months of the year, its profits did fall by 20% to NIS 4.1m. This downturn was blamed chiefly on the government's exchange rate policy.

Lautman maintained that Sara Lee was not concerned about the recent crisis affecting the Israeli textile industry, since it was not interested in penetrating the local market, but the markets of Western Europe.

Lack of cooperation hinders Arab banks

ABU DHABI (Reuters) - The chairman of the Arab Monetary Fund urged Arab banks on Sunday to diversify into new ventures to increase earnings.

"The Arab banking sector needs to revise its functions and enter investments that yield incomes in return for services, instead of sticking to traditional financial activities which no longer generate enough revenue," Abdullah al-Quwais told a conference. He said such investments could include industrial and farming ventures, management of investments, financial advice and fi-

nanancing trade activities. Banks should also pay more attention to brokerage, credit cards and travel and shipping services as well as dealing in stocks and bonds.

About 100 senior Arab bankers are attending the three-day conference here to discuss how to meet the challenges posed by western banks.

Bankers say lack of cooperation between the 355 Arab banks is a major factor hindering development of the system and expansion of its operations abroad.

"We are in desperate need of co-operation among our banks to

strengthen their positions and expand services," the chairman of the Arab Banking Union, Anwar al-Khalil, said. "Ironically, our cooperation with foreign banks has reached a much higher level than that among Arab banks themselves." Quweis said early partnerships between Arab and foreign banks still had an adverse effect on inter-Arab cooperation.

"Most Arab banks started business as foreign institutions or joint ventures with foreigners before they became full Arab institutions," he said.

BUSINESS BRIEFS

Rada doubles net

Rada Electronic Industries Ltd., a manufacturer of automatic testing equipment and military computers, more than doubled its net earnings in the third quarter of the year to \$280,000, from \$130,000 in the same period last year.

Sales in the July-September period also doubled to \$4.6 million. Haim Nissenson, president of the Beit She'an-based company, attributed this improvement in the company's results to the recent acquisition of two affiliate companies.

In the first nine months of the year, Rada's net profits were up 150% to \$770,000, while its sales grew 62% to \$12.2m. The company, whose shares are traded on the U.S. stock exchange, had until last year relied heavily on contracts generated by the Lavi project. Since then, however, it has managed to boost its exports orders to compensate for the loss of Lavi contracts.

Its main customers in the U.S. include McDonnell Douglas and Hewlett Packard.

Cotton crop problems

This season has been one of the most difficult ever for the country's cotton industry, according to the Cotton Production and Marketing Board.

With the harvest now ending, it is still too early to estimate the precise amount of crop grown, but it is already clear that it was far below average in many parts of the country. In addition, prices were relatively low this year for the Acacia brand of cotton. The government's exchange rate policy, the board said, was continuing to hurt profitability in the sector.

The heat wave last spring and various types of viruses took an especially harsh toll on the cotton crop grown in the Negev and central parts of the country. The board said it had asked the Agriculture Ministry to appoint a special committee to assess the exact scope of the damages inflicted. It had also appealed to both the Agriculture Ministry and the Treasury for financial assistance.

Judy Maltz

Insurance terror

The Manufacturers' Association has begun prompting its members to obtain insurance policies "against damages inflicted by acts of terror."

The association has decided to form a pool of interested companies, so as to represent them collectively in negotiations with the various insurance companies.

SUNUNU SEES PEACE CHANCE

(Continued from Page One)

world which he hoped could help advance the prospects of Arab-Israeli dialogue.

Asked whether he has strong feelings about the Arab-Israeli conflict, Sununu replied: "I have feelings in this sense: I think, as time has moved forward that we have opportunities to move toward peace."

Asked whether Bush will take an active personal role in the peace process, Sununu replied: "I think we have a great nominee for secretary of state and a great president-elect, and I think they're smart enough to know that it's in this country's interest to deal with the tough issues, and no one can say that it's not one of the great tough issues."

"I think it's important," he continued. "For example, for Israel's long-term economic situation. Peace would be a tremendous asset. Economic stability would help. And to stay under the constant tension that we have seen over the past few decades is not good."

In defending his overall record on Israel, he referred to his role in drafting the very pro-Israeli Republican Party platform. "I put it together," he said flatly.

He said that it was "in Israel's interest, the United States' interest, frankly everyone's interest, to achieve peace and tranquility in the Middle East." The key to that, he continued, is "to guarantee the integrity and strength of Israel as a sovereign nation in the Middle East. That has to be clear."

Regarding his own involvement in the Middle East, Sununu said that he visited the area only once. "I was in Lebanon in 1949," he said. "That's it."

He noted that his grandparents came to the U.S. at the turn of the century. "My father was born in Boston," he said. "I'm third-generation American. I wish I could speak Arabic but I can't."

His mother's grandparents came to Central America at the turn of the century. One of his grandparents on his mother's side, he said, was Greek. His mother was born in El Salvador. Sununu was actually born in Havana, Cuba, as an American citizen. His father was then in the export-import business.

Sununu clearly was upset by the controversy that has erupted over his appointment. He was anxious to try to defuse it.

"I guess that's what really shocked me in this whole process," Sununu said, referring to the controversy surrounding what he said was his "roots in the Middle East."

In attempting to reassure the American Jewish community, Sununu recalled his efforts over the years to help win freedom for Soviet Jewish refuseniks. He said that he had written letters to Mikhail Gorbachev on behalf of specific refuseniks. "I worked very hard to get a couple of the refuseniks out," he said.

He also referred to his excellent relationship with Republican Senator Warren Rudman of New Hampshire, who is Jewish, and his appointments of New Hampshire Jews to top-level positions in the state government.

He confirmed that he has been a member of the National Association of Arab Americans (NAAA). In recent years, he introduced Secretary of Defense Frank Carlucci and Republican Senator Richard Lugar of Indiana who addressed NAAA national conventions.

Tel Aviv Stock Exchange

Selected Prices

Name	Price	Tover (shares)	% change
Commercial Banks (not part of arrangement)			
Meritbank 0.1	n.t.	n.t.	-
General non-arr.	15000	50	3.4

Commercial Banks (part of arrangement —1981 series)			
IOB ord	118354	1112	-1.0
Union	80275	2945	-2.2
Discount A	151900	101	-
Mizrahi r	46750	618	-
Yapoon r	75000	2915	-1.0
General A	205100	42	-
Leumi 100.0	50500	3312	-1.0
Fin. Trade 1	n.t.	n.t.	n.t.

Mortgage Banks & Finance			
Leumi Mort. r	10475	117	-2.3
Dev. Mort.	2575	900	-
Mifalot r	4280	55	-0.7
First Int'l Mort.	7250	48	+2.1
Tefahot r	24900	140	+2.5
Contractors	1330	4550	+10.0
Cit. Leasing 0.5	15401	47	+3.0

Insurance			
Assurance 5	123	2540	-0.8
Heater	152.5	9887	-0.6
Phoenix 1	570	676	-0.7
Hamildomar 1	5700	47	-0.8
Cit. Insurance	289	4550	-
Menorah 1	728	356	-1.0
Securities	1095	4812	-

Trade & Services			
Intergrate 1	630	483	-1.9
Mifalot r	297	3138	-0.7
Cyprus 1	4280	34	+1.1
Supersol A	1153	2331	-0.8
Assuta	323	8028	-1.4
Lighting 1	477	2413	-7.4
Bonded Warehouse 1	950	160	-0.8
Don Hakele 1	1182	2	+2.1
Conal Beach	715	10	+2.3
Rad Sea Hotels	226	320	+2.2
Waco 1	1155	1585	-
M.L.L. 1	1990	90	-3.6
Nikav	883	954	-2.0
Tamir 1	481	500	-2.2

Real Estate, Bldg., Agriculture			
Al-Rov	339	2000	+2.4
Al-Rov 1	36180	34	-2.0
Aridan 1	2258	316	+1.0
Denkner	4801	180	+0.4
Baydela 1	4100	370	-
Jerus	33570	46	-10.0
MTM	288	1000	-0.3
Bldg. Resources	405	1013	-4.2
Uphitit	723	14886	-
Mehadrin	4530	771	-
Hadlerim Prop.	1188	352	-1.9

Industrials			
Dubek r	1401	100	-
Tempo 1	2210	40	-10.0
Sunfront	10400	-	-4.6
Asala	n.t.	n.t.	n.t.
Adgea	2000	4.0	-4.8
Argamim	8130	95	-0.2
Delta Galil 0.1	826	6738	-3.5
Zotit 1	1260	-	-
Egla 1	194	485	-1.5

Indices

103.44 -1.64 %	38.00 -4.77 %	123.24 0.40 %
General Share	Two-Sided	General Bond

Share Movements

80 (134)	131 (178) Unchanged	223 (116)
Advances	Trading Halt	Declines

Statistics

Stock Indices (Main List)

General Share (excl. arrmt.)	85.29	-3.30
Non-arrmt.	89.19	-0.18
Arrangement Banks	115.83	-0.74
Mortgage Banks	108.54	+0.75
Financial inst.	113.38	+0.58
Insurance	50.82	-1.08
Commerce & Services	78.78	-3.18
Real Estate & Agric.	80.74	-2.79
Industrials	85.78	-3.58
Food & Tobacco	74.95	-3.93
Textiles	55.27	-2.64
Metals	71.81	-2.44
Electronics	104.24	-5.35
Chemicals	119.45	-4.13
Industrial invest.	52.19	-5.18
Investment Cos.	81.88	-4.57
Stock Indices (Parallel List)		
General Index	67.68	-0.21
Commerce and Services	52.58	+0.02
Real Estate & Agric.	55.05	+1.18
Industrials	71.96	-0.47
Investment Cos.	56.08	+0.41
Oil Exports	-	-

Bond Indices

Index-linked Bonds	123.82	+0.38
Fully linked	125.15	+0.42
Partially linked	118.26	+0.11
Foreign Currency	118.45	+0.58
FC denominated	113.88	+0.84
FC linked	120.29	+0.48
Short-term 0-2 yrs	118.66	+0.18

Enak	108	2742	-
Polygat	436	829	-3.3
Gifor Sabrina	2525	72	-
Unden 1	2763	281	-10.0
Win&Cable	301	3252	-1.1
Zion Cable 1	1450	1182	-2.4
Pecker Plade 1	1500	533	-0.7
Elbit	33300	27	-5.3
Electra 0.1	2200	882	-6.1
Aryt	15400	418	-3.4
Stroonikon 1	1050	717	-1.1
T.A.T. 5	287	1983	-4.7
Y.P. Clal	198	5063	-4.0
Advestein 1	475	1	-
Bokos Bros.	58	900	-3.1
Agan	1896	12083	-3.6
Genes	n.t.	n.t.	n.t.
Gal Indus. 1	3176	199	+10.1
Fertilizers 0.1	3490	1427	+4.0

Short-medium 2-5 yrs	124.10	+0.44
Rises to 1%	123.48	+0.44
Long-term 5-7 yrs	122.42	+0.47
Medium-term 7+ yrs	122.42	+0.47

Turnovers

Total Shares	NIS 17,148,700
Non-arrangement	NIS 8,760,100
Two-sided	NIS 1,982,700
Arrangement	NIS 7,978,600
Bonds	NIS 20,633,000
Treasury Bills	NIS 12,114,700

Bond Market Trends

Index-linked:	
3% fully linked	Rises to 1.5%
4.25% fully linked	Rises to 1%
80% linked	Slight rises
Rimon	Stable
Gilboa	Stable
FC denominated	Stable slight falls
Non-government	Stable
T-bills	Slight rises
	18.45%-20.75%

Arrangement Yields 1981

	Dollar-linked	Index-linked
IOB ord.	5.50%	-0.83%
Union 0.1	5.08%	-1.33%
Discount A	5.46%	-0.85%
Mizrahi R.	5.42%	-0.97%
Hapoalim R.	5.94%	-0.86%
General A	5.37%	-1.05%
Leumi Stock	6.01%	-0.44%

Sano	3780	240	-4.5
Purizone	915	9278	-
Frutomer	1130	2188	-5.8
Kater	865	8833	-1.7
Leumi	901	1000	-1.4
Tor	12132	102	-4.8
Kardan 1	n.t.	n.t.	n.t.

Investment Companies			
Israel Corp. 5	318	2028	-3.6
Mizrahi Invest.	39100	50	-
Yusam	33	27618	+3.1
Puma	98	100	-0.2
Piryon	243	8970	-4.8
Kardan 1	82	5050	-1.2

Oil Exploration

Oil Exploration			
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Soccer jumps out of the frying pan and into the freezer

Post Sports Staff
Israel's soccer team flew out to Romania early yesterday armed with special warm weather apparel in anticipation of freezing temperatures for Wednesday's friendly international, and leaving behind a trail of complications.

Temperatures in Romania were several degrees below freezing at the end of last week and the players have been equipped with tight and gloves to make sure that at least the cold won't prevent them from turning in a good performance, regarded as an important step in getting ready for the March World Cup qualifying tournament.

Interest yesterday focused on who stayed behind as much as on the players who made the trip. In addition to Yigal Menachem, who had already been dropped after being sent off in a league game two weeks ago, two key players are off the squad — goalkeeper Bonnie Gins-

burg and midfield dynamo Eli Cohen.

Ginsburg was an injury casualty after a hairline fracture in his hand was diagnosed on Saturday night. This meant an exciting late call-up for the young Hapoel Ramat Gan keeper Shuli Gilardi and the near certainty that the doughty Bnei Yehuda star Ya'acov Assayag will earn his first cap.

The other casualty is not physical, although still of material matters rather than of the spirit. There is certainly, however, something about the spirit involved when a player — may a whole club — is sick at heart. Cohen is a casualty of the situation at Hapoel Tel Aviv, which has begun to turn ever more sour than feared.

After the weekend decision — hasty, some might say, though others would endorse it — by the players to finally stand up and carry out a threat not to appear for a league

game, the long knives are really out. Cohen was speaking for all of his colleagues when he said "we just can't take anymore of these broken promises. Some of us are really hard up and we can't afford to go on this way. We're owed large sums and it simply isn't fair. Many of the team are thinking of getting out of football altogether."

The Hapoel authorities are not overly impressed. They believed they did wonders to arrange for the players' latest salaries to have been paid on Friday morning and for the players to boycott the league fixture against Holon was unforgivable. The management holds that it not only sullied the champion club's name — it has surely cast into doubt the club's whole season.

A threat hangs over the players that unless they end their "revolt" right away they will all be considered up for transfer. "In that way," remarked one club official, "we

would be able to resolve our whole financial turmoil in one bang shot." Nor was the seedy atmosphere helped at all by comments last night from the umbrella Hapoel sports organization boss Yitzhak Ofek, who lashed out at the players saying that their action was not merely untimely but the equivalent of spitting in their own club's face.

Moreover, he went on to protest that this was not a case of a hard luck story or of people being down and out with hardly a crust to their name. In fact, Ofek insisted players had earned upwards of \$100,000 net piece last season, so their complaints smacked of "insensitivity." Passions are running very high with no happy end in sight.

Another sordid tale from local league soccer emerged yesterday evening when the report came in from a referee at a third division match in the Druse village of Daliat el-Carmel. During the match

against rivals Betar Nahariya the local Hapoel player-coach Azmi Nasser was sent off towards the end of the match for arguing with the referee.

"I was genuinely afraid I would be knifed," writes referee Ronnie Piro in his report to the Israel FA about the unseemly scenes that followed the incident and continued after the match.

The referee says he and his two linesmen were cursed at — some members of the mob are alleged to have used threatening comments such as "the intifada will get you" — and also the three officials sustained blows and were under "a real threat for their lives." The danger, he contends, came not only from members of the angry Daliat crowd but officials of the home club. The disciplinary committee of the FA will consider the incident after calling the Daliat officials in later in the week. Nahariya won the match 1-0.

Bullets beat Bird-less Boston

NEW YORK (AP) — The Boston Celtics lost to the Washington Bullets Saturday without one of the Celtics' biggest guns, and they had better get used to the hole in their lineup, because Larry Bird will be out of action for quite some time.

The Bullets won 108-104 with the help of Jeff Malone's 36 points, and held off a late comeback bid.

Cavaliers 106, Bucks 99
Brad Daugherty scored 21 of his 31 points in the second half as Cleveland overcame a nine-point halftime deficit.

Hawks 111, Warriors 92
Dominique Wilkins had 32 points and 13 rebounds and Reggie Theus scored 28 for Atlanta, who took advantage of a cold shooting spell by Golden State.

Rockets 109, Pistons 96
Akeem Olatunji had 34 points and 12 rebounds as Houston handed Detroit their first loss of the season.

Hornets 107, Spurs 105
Kelly Tripucka's two free throws with three seconds left gave expansion Charlotte their first road victory.

Knicks 141, 76ers 122
Patrick Ewing scored 27 and Johnny Newman added 25, breaking a tie with the 76ers for the Atlantic Division lead.

Pacers 134, Celtics 107
Alex English scored 10 of his 28 points during an 18-4 run early in the second half.

Jazz 134, Suns 121
Karl Malone scored a career-high 42 points, and John Stockton added 19 points and 11 assists.

Mavericks 112, Sonics 106
Dellie stayed in front by making 17 of 22 foul shots in the fourth quarter.

Kings 107, Pacers 96
Ed Pinckney's 26 points led Sacramento, 1-7, to their first victory of the season. The Pacers are 0-9, joining Miami, 0-7, as the only teams without a win.

Bird surgery 'success'

BOSTON (AP) — On Friday, Larry Bird shot baskets and lifted weights. On Saturday, he put down the balls and barbells as major surgery removed bone spurs from both heels.

The surgery was termed "very successful" and the Boston Celtics star should be able to return to basketball in three to four months.

Dr. Arnold Scheller, who performed the 90-minute operation, said the tendons were cut in both heels to remove the bone spurs that were irritating them.

Celtics' General Manager Jan Volk said, "I'm pleased that we have what appears to be a good result." Volk said, adding that the Celtics would not rush Bird back.

Vanquished Graf: I had no chance

Sabatini expects 'war of nerves'

NEW YORK (AP) — A confident Gabriela Sabatini brushed aside Helena Sukova 6-4, 6-2 and immediately predicted that her title battle with Pam Shriver last night in the Virginia Slims women's tennis championship final at Madison Square Garden could boil down to "a war of nerves."

"Pam is a very tough opponent because she concentrates," said the 18-year-old Argentinean. "I just hope I can play as well as I did in the semis." Shriver reached the final with an upset 6-3, 7-6 (7-5) win over top-seed Steffi Graf.

"I was a little surprised when Steffi lost," admitted the fourth-seeded Sabatini. "I thought I was going to play her."

Sabatini, the only woman to have beaten the world number one West German this year before Shriver's win, dominated the 23-year-old Sukova in every aspect of the game. She served superbly — hitting five aces — and committed only four unforced errors in the entire hour-long match.

"Right now, I'm feeling more confident than last week," said Sabatini, referring to her quarter-final loss to Sukova in Chicago.

Sabatini never looked back after snatching the first set and surged 4-0

Chris Evert turns 34 next month and finished her second straight year without winning a major title, but she isn't ready to quit the tour just yet.

"I could play more tournaments than I played this year," she said, "or I could stop playing halfway through the year. It depends on how I feel."

Evert's 1988 season ended with a 7-5, 6-4 loss to Pam Shriver in the quarterfinals of the Virginia Slims Championships.

The defeat, to a player Evert once beat 18 straight times, was the latest sign that age is taking its toll on the winningest player in tennis history.

Evert won four tournaments this year, but failed to capture any of the major titles.

clear in the second to make Sukova's revival too late.

A win in last night's finale would cap a year in which Sabatini fell short of several singles titles.

Shriver, who ended Graf's string of 46 straight wins in Saturday's first semi-final, said a win over Sabatini would salvage what she has called "a disappointing year."

"This was a big victory," said Shriver of her match against Graf. "But it will be really big if I win tomorrow. Tomorrow will be the last match of the year, so I want to give it all I have."

Graf, who was suffering from a bad head cold, fought back strongly in the second, despite repeatedly mis-hitting her shots, and had a break point in the ninth game. But she failed to take her chance.

"I wasn't feeling very well, but I wanted to go on to the court," Graf said afterward. "There is not a big difference between defaulting or playing and losing, but it was my choice to try it."

"In the second set I felt better, but my returns were bad," said Graf. "She played well and had a pretty good serve. I had no chance."

Nastase, Okker show kids the way to stardom

By JACK LEON
Post Sports Reporter

TEL AVIV — Tennis legends Ilie Nastase and Tom Okker, who yesterday held highly-successful clinics for promising juniors in Jaffa and Ramat Hasharon, are both likely to be back next autumn, possibly to be joined by Jimmy Connors and Ken Rosewall in a real tennis bonanza.

Nastase told me during a break in the clinic at the Israel Tennis Centre's Jaffa courts: "If Jimmy comes here next year to compete in the Ramat Hasharon Grand Prix, I want to play doubles with him again." Nastase and Connors were a celebrated pairing in the 1970s, numbering Wimbledon and the U.S. Open among their numerous doubles titles.

The mercurial Romanian, in affable mood, recalled that his last Grand Prix success came at Ramat Hasharon in 1985, when he won the doubles with Brad Gilbert.

If Okker, Rosewall, Nastase and Connors do come to Israel next October, it will be thanks to Israeli businessman and tennis buff Arnon Milchan, who hosted the week-long visit here of Nastase and Okker. Milchan is working closely with ITC executive president Ian Froman on next year's ambitious programme



LIKE THIS — Ilie Nastase (right) and Tom Okker give a few pointers to youngsters in Jaffa. (Hanoach Guttmann)

that envisages a post-Grand Prix veterans' exhibition series. This, in addition to arranging for Nastase and Connors to compete in the Grand Prix.

At Jaffa, Nastase and Okker con-

ducted two magical clinics involving 30 talented boys and girls between the ages of 10 and 15, together with the youngsters' regular coach and mentor, Australian-born Simon Danby.

Women bowlers win... and lose

Post Sports Staff

Israel's women bowlers kicked off the world bowls championships in Auckland, New Zealand, in mixed fashion when the trips combination won their opening game but the pairs lost both their first matches.

There was splendid performance

by Bessie Rosenberg, Tessa Futerman and Mollie Skudowitz, who outplayed the local Kiwi trio 19-13.

But Lorraine Rabman and Miriam Jankelowitz were narrowly beaten 21-19 by Americans Jo Gilbert and Joyce Schindler and were then trounced 25-16 by Hong Kong.

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Kiryat Arca: Bialik, 15 Shderot Yerushalayim, Kiryat Bialik, 721230.

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SCOREBOARD

ICE HOCKEY — Saturday's NHL games: Montreal Canadiens 5, Chicago Black Hawks 3; New York Islanders 6, Pittsburgh Penguins 3; Calgary Flames 5, Hartford Whalers 3; Quebec Nordiques 6, Philadelphia Flyers 5; Washington Capitals 3, New Jersey Devils 2; Edmonton Oilers 9, Toronto Maple Leafs 1; New York Rangers 4, Minnesota North Stars 1; Vancouver Canucks 3, St. Louis Blues 2; Los Angeles Kings 5, Buffalo Sabres 4.

BASKETBALL — Peter Popovic scored 29 points and Predrag Satic 26 as Zadar of Yugoslavia defeated DePaul 81-77 in an exhibition game.

WHAT'S ON

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JERUSALEM

Museums

L.A. MAYER MUSEUM FOR ISLAMIC ART. Visiting hours: Sun-Thur. 10-1:30; 6 p.m. closed. Sat. and holiday opens 10-1. Holidays: check with Museum. 2 Hapalah St., 5612912. Bus No. 15.

HEBREW UNION COLLEGE, SKORBAH Museum of Biblical Archaeology, 13 King David Street, 203333. Visiting hours: Sun-Thur. 10-4, Fri. Sat. and Hol. 10-2.

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TEL AVIV

Museums

TEL AVIV MUSEUM OF ART. EXHIBI-



INVADING ARMY — Army's Neal Miller tackles Ed Toner of Boston College as Troy Lingley (45) backs him up during Saturday's Emerald Isle Classic in Dublin, only the second college football game ever played in Europe. The Bostonians pulled off one of the biggest upsets of the college football season, breaking Army's iron-clad wishbone attack and rolling to a 38-24 victory, to the delight of 50,000 converted Irish gridiron fans. (Reuters)

Notre Dame-So. Cal gridiron show-down

NEW YORK (AP) — No. 1 Notre Dame is bound for the Fiesta Bowl. No. 2 Southern Cal is bound for the Rose Bowl. But first, they are headed for a 1-2 showdown of undefeated teams that is bound to play a big part in the national college football championship.

Tony Rice rushed for one touchdown and threw the longest scoring pass of his career, covering 67 yards, as the Irish beat Penn State 21-3 over the weekend to go 10-0 and hand the Nittany Lions their first losing season in half a century.

The Irish, who have not won a national championship since the 1977 team of Coach Dan Devine and quarterback Joe Montana, went ahead on their first possession when Rice capped an 87-yard drive with a 2-yard bootleg into the end zone. In the third quarter, Rice hit Raghib Ismail on a 67-yarder for Notre Dame's third touchdown.

Penn State ended their season at 5-6.

Platini's dream turns nightmare

BELGRADE (Reuters) — Michel Platini, one of French soccer's favorite sons who took over the national side from Henri Michel earlier this month, could not have wished for a better start to his new campaign as his country's soccer boss. But after a wonderful beginning to his side's European Group Five tie in Belgrade on Saturday night things ended in heartbreak when France conceded two goals in the final 14 minutes to lose 3-2 to Yugoslavia.

Paris St. Germain winger Christian Perez, one of the new faces drafted into the side by Platini, scored after only three minutes. The lead was shortlived. After forcing six corners, Yugoslavia equalized in the 11th minute when defender Predrag Spasic headed in a free kick curled in by Safet Susic.

Perez played a key role in France regaining the lead in the 68th minute. He cut his way through the left flank of the Yugoslav defence and centred for Franck Souze to volley home on the run.

Platini, who has made it clear that he will resign if France fail to qualify for the 1990 World Cup finals, said his team lacked Yugoslavia's experience, especially in midfield. "But all is not lost," he added. "We are improving and we will improve further."

The Yugoslavs now top the group with three points from two games, the same record as Scotland and France have three from three played and Norway two points from three. Cyprus are bottom. The top two qualify for the Italy finals.

giving Joe Paterno his first losing record in 23 years with the Nittany Lions. Rodney Peete, playing with the measles, led Southern Cal to a 31-23 victory over sixth-ranked University of California at Los Angeles and the Pacific-10 Conference title. Southern Cal is also 10-0.

Notre Dame meets No. 4 West Virginia in the Fiesta Bowl, and Southern Cal plays No. 12 Michigan in the Rose Bowl. At least one of those bowl games will take on national championship proportions after Notre Dame plays at Southern Cal next Saturday.

"The primary thing on our mind at this time is Southern Cal," Notre Dame coach Lou Holtz said. "We have to play against a great team out there and beat them."

In other games involving ranked teams, No. 3 Miami routed No. 11 Louisiana State 44-3. No. 4 West Virginia defeated No. 14 Syracuse 31-9. No. 7 Nebraska edged No. 9 Oklahoma 24-17. No. 12 Michigan beat Ohio State 24-31. No. 13 Oklahoma State defeated Iowa State 48-28. No. 15 Clemson beat South Carolina 29-18. No. 17 Houston beat Texas Tech 30-29. No. 19 Washington State got past Washington 32-31.

Platini's dream turns nightmare

Two minutes later, Yugoslav coach Ivica Osim made an inspired substitution when he brought on Red Star Belgrade's speedy winger Dejan Savicevic. Within six minutes Savicevic had created the chance for Paris St. Germain striker Safet Susic, out of the Yugoslav national team for the past four years, to shoot the equalizer.

Savicevic rubbed salt into the wound in the 82nd minute by again outstripping Manuel Amoros and crossing for clubmate Dragan Stojkovic to score the winner from 10 metres.

Platini, who has made it clear that he will resign if France fail to qualify for the 1990 World Cup finals, said his team lacked Yugoslavia's experience, especially in midfield. "But all is not lost," he added. "We are improving and we will improve further."

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News in Brief

Soldier killed in crash

NAKOURA - An IDF soldier was killed and four others were injured yesterday morning when their armoured personnel carrier overturned north of Nakoura in the South Lebanon security zone. The wounded, one with moderate injuries, were evacuated to Nahariya Hospital. The military police is investigating the accident. *Jerusalem Post Staff*

Jews and Moroccans

PARIS - Over 1,500 people, including a minister of the Moroccan government and Israeli representatives, visited the Rachi Community Centre here last weekend to view an exhibition and symposium on the culture of Moroccan Jewry. Moroccan Minister Zine Zahidine brought a message from King Hassan II, stating that the monarch viewed the programme as very significant. Israeli ambassadors to France and Spain, and the Moroccan ambassador to Paris also attended the event.

Michel Zlotowski

Bus-driver on bail

The driver of the school bus which crashed near Beit Shean on Friday, killing three children, was released from jail yesterday on NIS 10,000 bail. Ya'acov Biton, a 28-year-old student at Or Hanahel yeshiva in Jerusalem, was charged with causing the accident by speeding. His driver's licence was suspended for 90 days. Tomorrow he will reconstruct the accident with police investigators. At yesterday's remand hearing in the Jerusalem Magistrates' Court, the police said that Biton had been serving as a substitute for the regular driver of the bus.



Bus driver Ya'acov Biton hides his face at the courtroom yesterday. (Landau)

Siniora revives weekly

Al Fajr editor Hanna Siniora yesterday renewed publication of a weekly, *Al-Ushu' al-Yadid* (The New Week), a review of politics and society. The weekly ceased publication five years ago. The first edition of the pro-PLO publication carried stories on the Palestine National Council and the elections in Israel, and an editorial expressing pessimism on immediate peace prospects in view of Israeli political developments. *Joel Greenberg*

Pro-PLO slogans

SAKHININ - Pro-Palestinian slogans were discovered on the wall of the Moslem cemetery in this Galilee village yesterday morning. The signs, declaring "Death to the Informers" and "There will be a Palestinian State," were found by police during an early morning patrol in the village. Elsewhere, members of Banah local council, near Carmiel, have instituted "watchdog" patrols after anti-Israeli and pro-Palestinian slogans and a PLO flag were discovered in the village recently. *David Rudge*

Kibbutz arson

HADERA - A fire which destroyed NIS 160,000 worth of plastic raw materials in a yard at the Polyon factory of Kibbutz Barkai near here after early yesterday morning was started deliberately, police and fire brigade inspectors reported. Police said they had not ruled out the possibility that the arson attack was nationally motivated. Production was not disrupted. *David Rudge*

Dig that trench!

Twenty five new immigrants will be sent to work in the Jordan Valley next week reinforcing fortifications along the border. The project, organized by the Absorption Ministry and the Jewish Agency, is meant to familiarize the immigrants with the operations of the IDF in the area, and to teach them more about the country. In addition to their work they will be visiting kibbutzim and historic sites in the Jordan Valley. *Jim*

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'The main danger will be to the pro-Israel lobby'

Kollek back from U.S., warns against changes in 'Who's a Jew'

By ANDY COURT
CHARLES HOFFMAN
and MENACHEM SHALEV
Jerusalem Post Reporter

The passage of the "Who is a Jew" amendment will do unprecedented and indescribable damage to relations between Israel and American Jews, Jerusalem Mayor Teddy Kollek said last night on his return from a week-long visit in the U.S.

"None of the people who vote for the amendment, including the prime minister if he votes for it, will be invited to appear before any meeting of American Jews," Kollek said during a press conference at City Hall. "That's my opinion at least."

The greatest danger is not that Jewish contributions to Israel will decline, but rather that the pro-Israel lobby in the U.S. will become less and less active. Only a unified and committed Jewish lobby in the U.S. will keep the new administration from reducing the billions of dollars in funds that now flow from the U.S. to Israel, Kollek said.

Most Israelis do not grasp the depth of American Jews' feelings about this issue, he added. There are "thousands and thousands" of mixed marriages in which the non-Jewish partner converted to Judaism in ceremonies officiated by Conservative or Reform rabbis.

Kollek, who has more than 40

years of experience dealing with U.S. Jewry, said: "I have never before seen a danger like this."

The Council of Jewish Federations yesterday passed a resolution calling on the Jewish Agency to "use all means at its disposal to impede attempts to disunify the Jewish people" which refers primarily to efforts to change the Law of Return.

The resolution, which passed overwhelmingly at the closing session of the General Assembly of the CJF in New Orleans, was adopted instead of a stronger proposal submitted by Ray Epstein of Chicago, a former CJF president. His proposal called on all Jews to stop contributing funds to organizations that support a change in the Law of Return.

A delegation of top CJF, UJA and Aipac leaders are due to arrive in Israel today to convey their demands to Israeli leaders to remove "Who's a Jew" from the political agenda.

A top U.S. senator, Minnesota Republican Rudy Boschwitz, has warned Israel that passage of the "Who is a Jew" amendment would seriously damage Israel's standing in Congress and would hamper the ability of friendly senators to work in Israel's favour.

Boschwitz, who is Jewish and a well-known supporter of Israel, told acting ambassador to the UN Yo-

hanan Bein that he has been receiving appeals from many Jewish communities, which are threatening to stop acting for Israel and to stop their contributions if the "Who is a Jew" change is legislated.

Asking that his message be conveyed to Israeli leaders, including the prime minister, Boschwitz said in a meeting with Bein in New York that the proposed change in the law would not be understood by many senators. He said that senators would refrain from exerting themselves on behalf of Israel, and this at a time when Israel's image has been tarnished by the intifada, and strong support in Congress is doubly necessary.

Last week, U.S. officials warned that the "Who is a Jew" amendment would ultimately damage relations between Israel and the U.S. government.

A cable from Israel's embassy in Washington received here during the weekend reported that Jewish congressmen are asserting that the amendment of the law would have "grave consequences" and is arousing great anger in Jewish circles.

The congressmen warned that the new administration is planning to cut foreign aid in its attempts to bring down the budget deficits. A decrease in congressional support at such a time could cause damage to Israel, they said.

Three Israelis hurt in stoning of buses

Man killed in fresh IDF raids in areas

By JOEL GREENBERG
Jerusalem Post Reporter

A Palestinian was killed and two others wounded yesterday as the IDF mounted fresh raids on West Bank villages, making arrests and ordering residents to remove flags and paint over nationalist slogans.

In two stoning attacks on Israeli buses, three Israelis were slightly hurt.

Palestinians said Yusuf Abdullah, 22, was fatally shot in the head while standing in an olive grove at the village of Bakat al-Hatab, west of Nablus. Troops who raided the village opened fire after villagers hurled rocks at them, according to the Palestinian reports. A 16-year-old was wounded in the shoulder. The IDF confirmed the casualties, but said it was checking circumstances of the incident.

In other clashes yesterday, a 17-year-old from the Ein Bet al-Ma refugee camp near Nablus was wounded in the hand. Military sources said troops opened fire after rocks were thrown at vehicles on the Nablus-Jenin road.

A petrol bomb was thrown at an IDF vehicle in the centre of Ramallah, but there were no casualties. Troops closed off and searched the area.

Passengers on a bus travelling to the settlement of Shiloh said their vehicle had been attacked with

stones and later with a petrol bomb. A passenger was slightly hurt when rocks were thrown at the bus at the Al-Amari refugee camp near Ramallah, and a petrol bomb was thrown at the vehicle near the village of Mazara'a Shariya, but there were no casualties.

Another Israeli bus was stoned near Hebron, and two passengers were slightly hurt.

The Itihad Nisa'i Hospital in Nablus admitted six villagers from Madama with injuries from beatings, and reports from the village said close to 20 were hurt.

Reports from the village said soldiers vandalized furniture in at least two homes, and knocked down a stone terrace with a bulldozer.

The IDF confirmed that troops had raided the village, but said it had no reports of injuries.

At Karawat Bani Hassan, southwest of Nablus, troops imposed a curfew, searched homes, and disconnected loudspeakers in mosques, according to Palestinian reports. Close to 100 people were reported arrested in the raid which followed protracted clashes Saturday in which five villagers were shot and wounded.

The Civil Administration said it would permit a gradual reopening of West Bank schools next month if quiet was maintained in the area. Schools have been closed for most

of the uprising, on the grounds that they have become centres of student protests. Re-opening of the schools had been recently delayed until after national elections and the meeting of the Palestine National Council.

Troops will have to vacate more than a dozen school buildings inside Arab villages and towns which were used as barracks during the IDF's recent buildup in the territories. Universities will remain closed.

Joshua Brillant adds:

In the Gaza Strip yesterday, five Palestinians were shot and wounded and at least nine others were reported injured from beatings, according to local hospital sources. The incidents took place in Gaza, Jabalya, Nuseirat and Khan Yunis.

An IDF spokesman confirmed only one injury. He said a 15-year-old Palestinian took part in a "disturbance" in the Jabalya refugee camp, and was hit by a plastic bullet.

A Palestinian reporter said the five people shot yesterday sustained leg or thigh injuries.

Jerusalem was generally quiet yesterday, but a Palestinian flag and a burnt Israeli flag were found on the fence of a house in Jerusalem's French Hill neighbourhood.

Earlier, stone-throwers shattered the window of an Egged bus on Shlomo Ben-Yosef street in East Talpiot. No one was injured, police said.

PERES 'REGRETS'

(Continued from Page One)

An aide to Prime Minister Shamir said the prime minister would view an Egyptian recognition "gravely and with sorrow."

Bassiouni told *The Jerusalem Post* last night that the Egyptian move should be studied "positively" and that it constitutes a "good step for the peace process."

Bassiouni said that Egypt continues to "respect our signature" on the Camp David Accords, and that yesterday's recognition should not be interpreted as a violation of the 1978 treaty.

"The PNC decisions," the ambassador said, "are good as a starting point: the PLO recognized UN Security Council resolutions 242 and 338. Camp David is based on these very same resolutions, and the peace process is based on them as well."

He said that the recognition of the Palestinian state should not be taken as a presumption of the final outcome of peace negotiations, since "everything can be negotiated when we sit down at the table."

An hour before the Egyptian announcement of recognition, Shimon Shamir met with Foreign Minister Esmat Abdel-Meguid and submitted Peres's letter, distributed around the world yesterday, in which foreign countries are asked to refrain from endorsing the Palestinian move.

Sources in Jerusalem noted that despite U.S. lobbying and apprehension from a possible negative reaction from Israel, Egypt could not withstand the internal pressure of Egyptian public opinion and the external Arab pressure to recognize the PNC decisions.

Bassiouni said that Egypt had declared support for the PNC decisions last week, and considered this support to be stronger than recognition. But after studying what he termed "some reactions," the Egyptian leadership decided yesterday to recognize the Palestinian state "retroactively."

Haetzni wants editor charged

Jerusalem Post Reporter

TEL AVIV - Kiyat Arba attorney Eliakim Haetzni yesterday demanded that the authorities prosecute *Al-Fajr* editor Hanna Seniora, Bir Zeit University lecturer Sari Nusseiba and Jerusalem Mufti Sa'ad al-Din al-Alami for endorsing the Palestinian declaration of independence.

Haetzni said that in supporting the declaration, the three had committed several crimes, one of which may carry the death penalty.

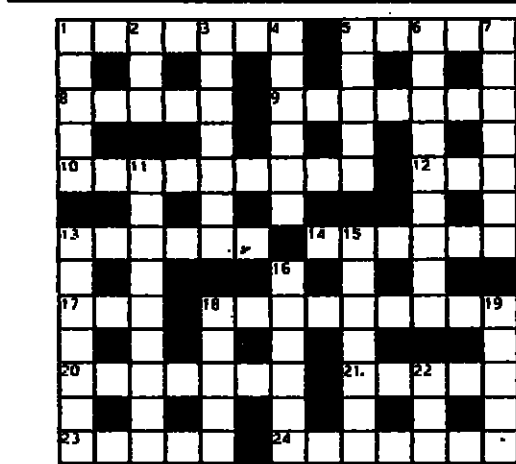
Haetzni filed his complaints with the attorney-general and the police. He told *The Jerusalem Post* he will appeal to the High Court of Justice unless the authorities take quick action.

The attorney based his complaint on newspaper accounts that Sen-

iora, Nusseiba, and Alami had signed a copy of the declaration of independence at the Temple Mount. He claimed that in so doing they identified themselves with the Palestine National Council, which he described as a "terror organization."

Moreover, he said, the declaration proclaims Jerusalem as the new state's capital. Supporting that is an act of treason, Haetzni maintained, because the move is designed to take away a portion of Israeli sovereignty.

The PNC's declaration also hailed the intifada, which according to Haetzni is "a string of acts of terror." Hence supporting the intifada is tantamount to incitement to rebellion, he claimed.



QUICK CROSSWORD

ACROSS

- 1 Comes to rest (7)
- 5 Scoreless (5)
- 8 Card game (5)
- 9 Leave-taking (7)
- 10 Propinquity (5)
- 12 Garden tool (3)
- 13 Fight against (6)
- 14 In abundance (5)
- 17 Tow (3)
- 18 Overrule (5)
- 20 Breed of dog (7)
- 21 Naive (5)
- 23 Machine for shaping (6)
- 24 Love affair (7)

DOWN

- 1 Savoury jelly (5)
- 2 Yes (3)
- 3 Stinging insect (7)
- 4 Late meal (6)
- 5 Factory (5)
- 6 Fearful (5)
- 7 Sanitary principles (7)
- 11 Watchful (5)
- 13 Act of declining (7)
- 15 Soft mixture (7)
- 16 Fisherman (5)
- 18 Scorch (5)
- 22 Vast age (3)

Yesterday's solution on page 6

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Mariko Anraku (right) and Risako Hayakawa, two of the Japanese contestants in the tenth International Harp Contest which opens with a festive concert at the Jerusalem Theatre this evening. (Yera Etzion)

Fears that UK cash-card gang may have operated in Israel too

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON - The arrest and conviction of four Britons last week in the biggest cash card swindle ever to be unearthed here, has prompted fears that a similar fraud may have been carried out in Israel.

A London court last week sentenced the gang of four cash-dispenser thieves to a total of 17 years imprisonment, after convicting them of conspiring to raid £5 million from bank dispensers across the country.

Fears that the fraud had spread to Israel were sparked by the discovery of a photograph showing one of the four standing beside a cash dispenser in Tel Aviv, making a triumphant "thumbs-up" gesture towards the camera.

Having opened hundreds of bogus accounts with the Midland Bank here, the gang spent 18 months learning the sophisticated micro-computer techniques to copy thousands of cash cards, and then embarked on what was to have been a sustained assault on cash dispensers all over Britain.

Two weekend raids netted £100,000, but the gang was then arrested after a sharp-eyed bank computer official realized what was going on, and worked out which dispensers the gang was likely to raid next.

Philip Atkiss and John Kriskinans were caught red-handed beside a raided machine, and at Acton Crown Court last week were jailed for eight and six years respectively. Their wives, Anita Atkiss and Dawn Kriskinans, were also convicted of fraud. Anita was jailed for more than three years, and Dawn was fined £500.

It has been confirmed that the foursome vacationed in Israel during their 18-month preparation and planning period.

Contacted by *The Jerusalem Post*, Dawn Kriskinans refused to discuss whether the gang had tried out its swindle in Israel. "I have no comment to make on that," she said.

Detective Inspector Williamson, of the City of London Police which handled the arrests here, also declined to comment on the possibility of the gang having operated in Israel. "If I had passed on any information to the police in Israel," he said, "I certainly wouldn't tell you about it."

The fraud here, and its implications for bank dispenser security, has prompted claims from computer experts that "cash card forgery will reach epidemic proportions" unless the government clamps down on the sale of the microcomputer equipment necessary for copying cards.

The revelation that the gang had also perfected a system for raiding

building society dispensers may force the societies to implement a two-year overhaul of their cash machine security systems. Italian building societies have already radically increased the security checks on their network of machines, after a costly series of frauds last year.

Michael Rosen adds:

The photograph of John Kriskinans flashing the "thumb up" was shot near a United Mizrahi Bank cash dispenser; but Tel Aviv police said there was no criminal investigation of Kriskinans.

An expert on cash dispensers speculated that the thieves might have picked Israel as the source of their home-manufactured magnetic cards because the computers needed to decipher the secret codes of the cards can be more easily obtained here than in Britain.

The thieves would then have had to acquire the formula connecting the card's secret access number to the bank account. This would have been almost impossible without the help of a source from within the bank.

The most likely scenario, the expert, who wished to remain anonymous, suggested, was that the suspects opened many foreign currency accounts in Israel, obtained magnetic cards from the bank, duplicated them, and used them abroad where a direct computer link with the Israeli bank was not available.

Kaddumi to see French FM

By MICHEL ZLOTOWSKI

PARIS - The PLO's Farouk Kaddumi will be received by French Foreign Minister Roland Dumas in Paris in December. *The Jerusalem Post* has learned.

Ibrahim Suss, the PLO's representative in Paris, said last Friday after a meeting with Dumas that Kaddumi would come on an official visit but sources close to the French foreign ministry told *The Post* that, since France has not recognized a Palestinian state, the visit could not be considered "official."

The sources said, however, that unlike the previous encounters between PLO leaders and Dumas, Kaddumi "might be received for breakfast by the French Foreign Minister, thus making this a slight upgrade of the relations with the PLO."

Discussions were still being held yesterday between the European capitals to decide on a common position vis-a-vis the Palestine National Council meeting in Algiers.

Abie Nathan to see - and advise - Arafat in New York at weekend

By ELAINE RUTH FLETCHER

Voice of Peace owner Abie Nathan last night said he would ask PLO chief Yasser Arafat to appear before the UN General Assembly "with olive branches in two hands" rather than an olive branch and a pistol.

Nathan said he would put the idea to Arafat in a planned meeting in New York this weekend, his third encounter with the PLO leader this year.

Nathan was speaking at Tel Aviv University in a panel discussion on PLO participation in peace negotiations.

Nathan said he would ask Arafat

to "make the kind of appeal that would capture the heart of the Israeli and American public, [so that they would] see him not as a terrorist, but as a statesman."

Arafat is scheduled to address the UN on November 29 to announce the Palestine National Council's recent proclamation of a Palestinian state, and its conditional recognition of UN Security Council resolution 242.

Nathan, who faces prosecution for his previous meetings with the PLO leader, called the recent PNC decisions "terribly important" and criticized Israeli leaders for minimizing their significance.

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